CONSIDERATIONS

RELATIVE TO

THE INDIA QUESTION.

CONSIDERATIONS

ARISING OUT OF

THE LATE PROCEEDINGS IN PARLIAMENT

RELATIVE TO THE

INDIA QUESTION.



LONDON:

J. HATCHARD AND SON, PICCADILLY.

1830.

LONDON:
PRINTED BY I. L. COX, GREAT QUEEN STREET.

TO THE

RIGHT HONOURABLE

CHARLES ARBUTHNOT, M.P.

CHANCELLOR OF THE DUCHY OF LANCASTER,

&c. &c. &c.

TO WHOM THE PUBLIC ARE INDEBTED

FOR THE

CLEAR AND ABLE SUMMARY

CONTAINED IN

THE REPORT DRAWN UP BY HIM OF THE LATE PARLIAMENTARY ENQUIRY INTO THE TRADE BETWEEN GREAT BRITAIN, THE EAST-INDIES, AND CHINA;

THE FOLLOWING PAGES

ARE

INSCRIBED.



It is the peculiar province of Parliament to legislate upon all matters of national interest. When the details of any question are so complicated and extensive as to render a preliminary enquiry expedient, Select Committees have been appointed for that special purpose. Such was the course adopted in the last session, with respect to what has been generally denominated the INDIA QUESTION.

Preliminary observations.

Select Committees of both Houses were chosen on the 9th February last, "to enquire "into the present State of the Affairs of the East- "India Company, and into the Trade between "Great Britain, the East-Indies, and China."

The dissolution of Parliament consequent upon the demise of his late Majesty terminated the proceedings of the Committees. The result of their labours has been preserved in a series of printed evidence and accounts, and in a Report from the Select Committee of each House,

Preliminary Observations.

in which the leading points that respectively engaged their attention are noticed.

As it was stated in the House of Commons on the appointment of the Committee, that "the "result of the enquiry was to guide the future "proceedings," it has been expected, and not perhaps without reason, that a Report upon the subject would have been made by the Court of Directors to their Constituents.

We have, however, been given to understand, that the Directors, feeling that the East-India Company were no parties to the enquiry, determined to meet without reserve every call for information, whether oral or documentary, which the promoters of the investigation might deem necessary to their purpose, but resolved to await the usual Parliamentary notice, before they came forward with a statement of the grounds for a continuance of such of their present exclusive privileges, as are indispensable to an efficient discharge of the important trusts now confided to them.

We think the determination of the Directors was both proper and judicious.

In the absence, therefore, of any official review, we have been induced to submit the following considerations upon the general question. It is on all sides admitted to be one of deep national importance; and it involves interests so

vast, so complicated, and so novel in all their bearings, that we enter upon the subject with an earnest desire to arrive at sound and just conclusions, unbiassed by any preconceived notions of our own, and anxious to do justice to the motives of the several parties, whose interests have led them to step forward in opposition to the present system.

Preliminary observations.

INDIAN subjects possess little attraction, at any time, to the public at large, and they have not been more fortunate in exciting the interest of Parliament.

It was scarcely to be expected that Members would devote their attention, at a period when they hourly anticipated being sent back to their constituents, to the mass of matter contained in the evidence and documents already noticed; still less is it to be supposed, that the Members of the new Parliament will be inclined to enter upon a subject which, without some previous knowledge of its outline and object, they could neither hope to master or comprehend.

We propose, therefore, to notice the circumstances under which the late parliamentary enquiry was instituted—the parties to that enquiry—the mode in which it was conducted—the evidence brought forward—the results established by such evidence—and the situation in

which the East-India Company stand with reference to the general question.

harge against e Company of terfering at lections.

We must make a momentary digression for the purpose of noticing some statements which have been circulated, with no common share of industry, that the EAST-INDIA COMPANY exerted, in the course of the late General Election, all their influence to defeat the return of members who were known to entertain sentiments adverse to the Company's privileges, and to promote the choice of others who were supposed to be favourable to their continuance.

It might have sufficed to have permitted the absurdity of such a charge to be its refutation, had not the Committee of the Liverpool Association, in their resolutions in support of Mr. Woolryche Whitmore's election at Bridgnorth, urged such alleged interference on the part of the East-India Company, as a reason for the more strenuous exertion of the friends of free-trade in procuring the return of that gentleman; and when his election was secured, there appeared a paragraph in the most influential and widely-circulated daily journal, congratulating the country on the defeat of such an attempt on the part of the Company. The Editor, subsequently aware how utterly without foundation the assertion had been put forth, honourably and promptly contradicted it. The

impression, however, had been made; and we have lived long enough to know the difficulty which attends the attempt to disabuse the public mind of an opinion, however erroneously formed, when such opinion is in accordance with sentiments cherished and promulgated under an ignorance of facts, and a belief that the general weal would be promoted by the annihilation of rights and privileges, no matter at what cost or by what means the effort be made and carried forward.

The East-India Company have no occasion to resort to any such means for the purpose of defending their rights and privileges. Whatever may be the determination of the Legislature as to the future intercourse with India, or the trade with China, or the system under which the affairs of the British Empire in that country shall be administered, the Company have rights, property, and possessions, which are indisputable and interminable.

Origin enquir

We proceed to notice the circumstances under which the late Parliamentary investigation was instituted.

At the close of the session of 1829, the expediency of enquiry into the Indian and China Trade was strongly pressed upon the attention of the Government by those who sought for a removal of the remaining restrictions, which they

represented to exist upon the trade and intercourse with India, and by the advocates of a free trade with China.

The motion for the appointment of a Committee at that time was withdrawn, upon an understanding that His Majesty's Ministers would themselves propose such a measure in the following session.

ointment
ommittee.

In redemption of such pledge a Select Committee was moved for and chosen in each House on the 9th February 1830. On that occasion Mr. Peel acknowledged the vast importance of the subject. He disclaimed the idea of a Committee being proposed "for the "purpose of ratifying any engagement existing "between the Government and the Company," and declared "no such thing is in existence;" and, as has been already noticed, he stated that "in any future proceedings we must be guided "by the result of the enquiry."

ections to
ctors
wered.

Notwithstanding this frank declaration of the Right Hon. Gentleman, it was attempted to be shewn at the outset, that partiality had been manifested in the selection of the Committee, "and objections were taken especially "to the names of *three* Directors of the "Company being included, because they had too "great an interest in the question to be able to "go into the Committee with impartiality."

If such an objection was worth any thing, and if a strictly disinterested Committee was to have been chosen,—a Committee composed of members having no one predilection, either in favour of, or against the Company, but what might be produced by the evidence brought forward in the course of the enquiry,—then an objection should have been taken, and we think with much greater reason, to the choice of other gentlemen, who had, on every opportunity, declared most unequivocal and decided hostility to the Company; to those who, in truth, held their seats by the tenure of an uncompromising support of the opinions of their constituents, which were known to be directly opposed even to a modified continuance of the Company's privileges; and to those who were members of houses of India agency, and of mercantile firms, whose interests would be promoted, in exact proportion as the rights and privileges of the Company were either circumscribed or totally abolished. But whilst such parties were to have their representatives in the persons of Right Honourable and Honourable Gentlemen of the first talent and character in the political and commercial world, with what propriety, with what fairness, could it be denied to the East-India Company to have, out of thirty-five members of the Committee, *three*

Directors, to watch and take cognizance of proceedings, which might affect a capital of *twenty-one millions sterling*, embarked in the acquisition and maintenance of possessions and commercial privileges, which in the hands of the Company have been made at all times subservient to the interests and welfare of the State.

Of the thirty-five members, *two* were members of the Government; *four* were members of the Board of Commissioners for the Affairs of India; *one*, the Secretary of that Board; *thirteen* represented places, from whence petitions had been presented against the Company, or who had individually expressed themselves opposed to the continuance of their privileges; *twelve* may be viewed as having in no way committed themselves in reference to the general question, but certainly had given no reason to believe that they were supporters of the Company; and *three* were Directors.

Such was the constitution of the Committee chosen by the House of Commons for the purpose of prosecuting the important investigation.

It would be difficult for the most fastidious to raise an objection to such a Committee, on the score of its members having a too favourable leaning towards the East-India Company, who were, in truth, as perfect strangers to the mea-

sure as the writer of these pages. The official accounts presented to Parliament by the King's command, through the President of the India Board, to facilitate the enquiry, were framed, not by the officers of the Company, but by those of the Board. It was upon these accounts that the officers of the Company were examined; and they stated in the course of their evidence, that they then saw them for the first time, and that it was impossible for them to bear testimony to the soundness of deductions drawn from documents, of the accuracy of which they were previously entirely ignorant.

Parties to the enquiry.

The parties to the late enquiry are:—The Petitioners for a free and unrestricted resort to, and residence in India, and the withdrawal of the Company from the trade; and the Petitioners for a free intercourse with India, and the total abolition of the Company's monopoly of the China trade.

We shall take the petition from the Merchants of London and that from the Merchants of Liverpool, as the two prominent bodies who may be supposed to speak the general sense of the respective interests advocating a change of the existing system. The Merchants of London in their petition, desire, "that in any renewal of "the charter to the East-India Company, due "provision shall be made to allow such free in-"tercourse of British subjects with India, and

" to give them such right of settling therein, as
" shall (consistently with the security of the
" British Government and the welfare of the
" native population) be best calculated to pro-
" mote the full development of the internal re-
" sources of that country, and by the application
" of British skill and capital, improve its various
" products, especially those of sugar, cotton,
" silk, and tobacco, these being the principal
" means by which, in the opinion of the Peti-
" tioners, a further extension of the valuable
" trade with India, now obstructed by the diffi-
" culty of obtaining returns, may be facilitated."
The Petitioners further state it to be " most im-
" portant to the mercantile prosperity of India,
" that the government of that country should be
" entirely restricted from all commercial deal-
" ings, save and except, in reference to the
" export trade from India to Europe, it be ab-
" solutely necessary to bring produce in open
" market for the purpose of remittance, in aid
" of the territorial demands on the London
" Treasury, when no other means of supply can
" be obtained." The Petitioners afterwards go
on to state, that they " refrain at this time from
" making any declaration on the important
" question of the monopoly in the supply of tea
" to this country, now vested in the East-India
" Company, because, in their opinion, that sub-
" ject is interwoven with various other consi-

" derations besides those purely commercial,
" which render a full investigation indispensably
" necessary for establishing a fair and just deci-
" sion, as to the course it may be wise to pursue
" in furtherance of the common interests of the
" country."

The Petitioners from Liverpool state their
" object at present is to draw the attention of
" the House more particularly to the trade be-
" tween this country and the empire of China,
" of greater importance than all the rest of the
" Company's present monopoly. The Peti-
" tioners submit, that there is no reason why the
" trade of this country to the empire of China,
" so far as respects the acts of our Legislature,
" should not be as free to His Majesty's subjects
" in general as the trade to the empire of
" Brazil, or any other country; still less that
" they should be excluded from carrying our
" manufactures to China, when foreigners in
" their own ships enter our ports, receive British
" goods, and traffic with them in that empire;
" or that our merchant-ships should be debarred
" from all carrying trade between foreign coun-
" tries and China, and our ships obliged to de-
" cline charters, which the vessels of the United
" States accept with advantage."

Proceedings of the Committee of the Lords.

Our attention was first directed to the Report from the Committee of the Lords. We were struck both with the variety and ex-

Committee of the Lords. tent of the subjects to which their Lordships' enquiry had been (we presume advisedly) directed, and also with the brief and bald summary which the Report contains of the important points brought under the consideration of the Committee.

Extent of enquiry.

The enquiry comprised the finances of India, embracing the joint operations of territorial and commercial means;—the inadequacy of the revenues, and the diminution of the civil and military charges;—the constitution of the local governments, with a view to their efficient control over expenditure;—the internal Revenue arrangements, and the advantages of the different kinds of settlements, and the expediency of direct or indirect taxation;—the comparative advantage of the management of the Native States with those under the British rule;—the operation of the monopolies of opium, of salt, and of the internal transit duties;—the supplanting of Indian by British manufactures, and the possibility of improving the former in silk, cotton, sugar, tobacco, and other articles of Indian produce;—the residence of Europeans;—the exercise of judicial functions in the interior by competent persons servants of the Company, and by natives;—the police of the country, and the fitness of the natives for such functions as judges, assessors, and jurymen, and for general civil employments, to raise them to higher sta-

tions, to elevate their character, and to give the country a cheaper and more popular government;—the best means of native education, and also of the European servants of the East-India Company, both in England and in India;—the laws as to the Half-castes;—the state of the country now and in former times, and the condition of the people;—the state of slavery in Malabar and other parts of India;—the practice of Suttee;—the China Trade.

Committee of the Lords.

Such is an epitome of the variety of matter which was brought before the Committee. We appreciate the zeal, and we would by no means undervalue the powers possessed by their Lordships to enter upon so extensive a field of Indian research which has thus been opened to them; but we confess, that when we had perused the Report, strong doubts arose in our minds as to the possibility of their Lordships acquiring, in the course of an investigation which occupied scarcely *thirty days*, and little more than four hours in each day, sufficient information to arrive at a right and just conclusion on the subjects brought under review. And yet we are left to conclude, that as their Lordships did not proceed to the China Question until they had closed the evidence on the other matters, enough had been elicited to have enabled them, had they seen fit, to have offered a de-

Committee of the Lords.

cided opinion upon the multifarious matter already specified.

We pass by the evidence on the finances of India, and on the China Question, as we shall have occasion to advert to it when we take up the Report from the Committee of the Commons. The remainder of the evidence has reference to the general questions connected with the internal state of the possessions under the government of the Company and those of the Native States.

We had not the same opportunity of witnessing the course of examination as we were indulged with by the Committee of the Commons: but we conjecture from the nature of the majority of the questions put to the witnesses, that such questions were propounded by the Noble Lord at the head of the India Board. We are by no means disposed to disparage that Noble Lord's capacity for readily acquiring a knowledge of the outline of our Indian system; but the limited information which he must necessarily possess, as to internal Eastern policy and rule, ill qualifies any man for forming schemes of government, or laying down principles of action, as applicable to countries and inhabitants, possessing peculiarities and prejudices, which differ from each other as widely as light from darkness. Patient investigation, calm deliberation, and much caution, are required previously to the in-

Committee of the Lords.

troduction of what may seem to be an improvement upon an existing system, however opposed that system may be to our received notions of what is wise or expedient in a European state, advanced in arts, science, and religion.

We discover, in the shaping and bearing of the questions, a desire to draw forth evidence to establish preconceived notions and crude theories, wholly inapplicable to the number and varieties of countries, and of their inhabitants, of which our Indian empire is composed.

We will notice, for example, a question put to that eminent servant of the Company, the Hon. M. Elphinstone, late governor of Bombay, who had previously filled various important official situations in all parts of India :

"Do you think it would be found quite impracticable
" to apply *one common code* to the whole of the Indian
" territories?—I think it would. There might be a
" general correspondence, such as may be found in coun-
" tries in Europe, the laws of which are founded on the
" Roman law; but there must also be very great points
" of difference.

"Subject to those differences, do you think that such
" a regulation might be attended with advantage?—Per-
" haps at some remote period it might; but in the present
" state of our knowledge of India, I think it is desirable
" to abstain from all attempts to introduce uniformity."

We are led to imagine that the *Code Napoleon* must have suggested this contemplated improvement upon the existing judicial systems of India.

Committee of the Lords.

From the evidence of Mr. Fortescue, who was commissioner in the district of Delhi, we find that the people were well satisfied with the administration of justice according to the Mohamedan law, modified by the spirit of the Regulations of the Government.

We also find from the examination of Mr. Courteney Smith, who was judge of the Sudder Adawlut in Bengal from 1819 to 1827, that substantial justice was administered to the people in the Provincial Courts, where there were efficient officers.

Mr. Elphinstone considered

—"the natives are satisfied with the administration of "justice, as far as protecting innocence; but they com-"plain very much of its inadequacy to punish guilt. "I am not certain that their complaints are well-founded, "for their notions of justice are very summary, and they "are not able to comprehend the difficulties we find in cri-"minal procedure."

We are far from saying that the judicial system is incapable of improvement, and we are amongst the last of those who would deprecate the gradual introduction of judicious and well-advised amendment and amelioration in the mode of administering justice to our native subjects; but it is to the adoption of measures so visionary, and with such imperfect information, that we entertain the strongest objections.

This opinion is confirmed by that late eminent

man, Sir Thomas Munro, who observes: "One "great error in this country, during a long "course of years, has been too much precipita-"tion in attempting to better the condition of "the people, with hardly any knowledge of the "means by which it was to be accomplished, "and indeed without seeming to think that any "other than good intentions were necessary. "It is a dangerous system of government, in a "country of which our knowledge is very im-"perfect, to be constantly urged by the desire "of settling every thing permanently—to do "every thing in a hurry, and in consequence "wrong, and in our zeal for permanency, to put "the remedy out of our reach."*

Committee of the Lords.

In comparing this state of the administration of justice in the territories under the Company's Government with that existing in the Native States, to which reference has been made in the Report of the Lords, we find Mr. Jenkins, late Resident at the court of Nagpoor, giving it as his opinion, that the system of civil and criminal justice (beyond the Company's rule) "could "scarcely be said to be any system at all." From the same authority we further learn, that under the native administration,

—"latterly there was very little security of person or "property. The country was overrun by Pindarries, "and the Rajah himself, being reduced to distress, by

* Life of Sir T. Munro, vol. iii. p. 381.

Committee of the Lords.

" keeping up larger bodies of troops than his finances
" could sustain, turned plunderer himself, and employed
" robbers to take away the property of every person who
" had any; and this was not only all over the country
" where it might be unobserved, but in the city of Nag-
" poor itself."

If a similar comparison be made, as to the advantages derived from the superintendence of British rule, it will be found in the evidence of Mr. Jenkins, the result of his observations during a residence of nearly twenty years, that

—" he had scarcely arrived at Nagpoor, in the begin-
" ning of 1807, before he saw the whole country in a
" blaze, and almost every village burning within a few
" miles of the city of Nagpoor, and this going on from
" year to year."

He adds, that the people were far from satisfied with the native government,

—" for they had little protection from foreign invasion.
" The Pindarries were constantly ravaging the country;
" and the Rajah's troops, if they were sent to suppress
" them, plundered them."

After the year 1818, when the government was administered to a certain degree by British functionaries, Mr. Jenkins's evidence shews, that the country increased under it in population and in revenue;—that the improvement in the state of the country was very considerable and very sensible;—that the people were in general very well satisfied both with the administration of the government and of justice whilst under Bri-

tish authority; and that when he undertook the management of the Nagpoor territory, the finances were greatly embarrassed; but that when he surrendered the government into the hands of the Rajah,

Committee the Lords.

—" the revenue was about forty-seven lacs of rupees, " and the expenditure about forty-four, subsequently " reduced to about forty-two, before he gave up the " country to the Rajah, producing a surplus of near five " lacs of rupees."

A testimony to the same effect is borne by Mr. Elphinstone with respect to the tributary states in Guzzerat connected with the government of Bombay.

Sir Thomas Munro wrote from India, in August 1826, to his friend Mr. Halliburton, now in this country, and who was formerly a distinguished servant on the Madras establishment: "It is needless to speak to you of any " body in this country, for I shall not in my " circuit see a single person you know, or any " very old acquaintance of my own; but not- " withstanding this, there is a great pleasure in " passing through countries enjoying profound " peace, and full of industrious inhabitants, " which I formerly saw desolate and laid waste " by a destructive enemy."*

Again, in another letter:—" The atrocious " crimes of murder and gang-robbery are much

* Life of Sir T. Munro, vol. iii. p. 432.

Committee of the Lords.

"less common in districts which have been long "under the Company's government than in "those of more recent acquisition, and are "everywhere gradually diminishing."*

The possibility of indirect taxation was also touched upon; and in the examination of Mr. Mangles before their Lordships, that gentleman was asked,

—"whether from the state of society in the lower pro- "vinces, it would be possible to raise any more revenue "by means of indirect taxation?"

To which he replied:

—"The wealth is in existence; but I cannot speak, on "the spur of the moment, of any means by which it "could be got at by indirect taxation,—their wants are "so few."

Mr. Christian gave evidence to the same effect.

"How long have you been in the upper provinces?— "About nineteen years. I was about four years and a "half on the Special Commission, and the greater part "of the time I was collector of land revenue.

"Did the condition of some provinces appear to im- "prove from that period?—Certainly.

"From your knowledge of the state of the population "of Bengal, and the territories subject to the Bengâl Go- "vernment, do you think there are means of raising the "revenue by indirect taxation to any extent?—Any "change from established custom in India gives rise to a "great deal of dissatisfaction. The land-rent is what "they readily pay: although it may appear exorbitant,

* Life of Sir T. Munro, vol. iii.

"yet it is a revenue that is paid without much difficulty, "and a tax in any other shape, however small, is comparatively disliked, I think."

Committee of the Lords.

Colonel Briggs, in his interesting work on the Land Tax of India, quotes some observations of Mr. Elphinstone on the introduction, since 1816, of *Tallaties*, or village-accountants, in conducting the village settlements, rather than direct by *Patels*.

"There can be no doubt," says Mr. Elphinstone, "of "the excellence of this regulation, both as promoting "the advantage of the Government and of the Ryots; "but it must not be overlooked, that it has a tendency "to extinguish the authority of the Patels, already much "weakened by other parts of our management; and "care should be taken, when the necessary information "has been acquired, which can only be done by a "regular and scientific survey, to bring the Tallatty's "power within its natural bounds, and to withdraw it "from all interference with the immediate duties of the "Patel."

It is by extracts of this nature, Col. Briggs justly observes, that one "is able to perceive how "extremely difficult it is for us in India to "change, in however slight a degree, the institutions of the people, without deranging the "whole frame of society."

With reference to those parts of the evidence which touch upon the internal improvement of our territorial possessions, by the larger intro-

Committee of the Lords.

duction of British agency and capital, we do not hesitate to say, that we would accord the most liberal permission to the resort of British subjects to India, under proper and defined regulations.

We quote Mr. Elphinstone on this point with great pleasure, because we attach to his opinion peculiar weight and authority, coming as it does from a gentleman universally respected for the liberality of his sentiments, and thoroughly conversant, as he is admitted by all to be, with questions of Indian policy and legislation.

"Do you think that the general prosperity of the coun-
"try, or the moral improvement of the people, would be
"advanced by the more general residence of Europeans
"amongst them?—A more general residence of Euro-
"peans would be certainly attended with great advan-
"tages, if they carried capital or skill with them to
"India; but I think that any unrestricted residence of
"Europeans in India would be productive of more harm
"than good.

"Would not a greater resort of Europeans to the coun-
"try tend to keep down the native population, and to
"prevent the natives rising to the possession of those
"offices in which you think it would be desirable to place
"them?—I think it certainly would. If Europeans were
"allowed to go without restraint to India, I think many
"would go at first, some without capital, and others on
"speculations which would soon reduce them to poverty;
"that from the compassion of their countrymen in India,
"and their greater fitness for office, they would be intro-
"duced into employments to which we have been of late

" endeavouring to introduce the natives; and that if " they formed friendships with the Europeans in power, " which they have greater means of doing than the na- " tives, they would get advantages in other ways.

Committee of the Lords.

" So that the elevation of the native character appears " to be inconsistent with the more general resort of Eu- " ropeans to the country?—Inconsistent with the unre- " stricted resort; but I conceive that the resort of Eu- " ropeans might probably be extended without intro- " ducing any other than beneficial results.

" The greater the number of Europeans in the country, " would not the difficulties thrown in the way of the " advancement of natives be greater?—If none went to " India but such as had capital to employ in commerce " or agriculture, no bad effects would follow from their " residence. There would be some competition, no " doubt, between them and the natives; but I think the " balance of advantage would be greater than that of " disadvantage.

" In your opinion, would it be necessary to subject the " Europeans residing in India to restrictions, as well as " to impose restrictions on their resort thither?—I do " not know that any of the present restrictions could be " dispensed with. It would be sufficient if the govern- " ment had the power of sending them out of the country, " and of sending them from one district to another, in " case of their being guilty of any oppression, or creating " any great disturbance in any particular district, as has " happened sometimes. I am always supposing they " are not so numerous as to form a very considerable " community in India. Such a community would be " very unruly, and very difficult to manage on the part " of a government which must be always arbitrary in " its character. If there were a great body of discon-

Committee of the Lords.

"tented colonists, such as at the Cape for instance, I "think their clamours would probably weaken the go-"vernment very much with the natives. Their disagree-"ments with the natives would also be dangerous; and "I think there would be a great increase of the feeling "which there is now only among the lower orders of "Europeans in India, of contempt and dislike for "blacks. There would be a more marked distinction "between blacks and whites, as there is in all regular "colonies."

We would aid by every possible means the introduction of whatever might tend to revive the internal manufactures of India, which have been supplanted by those of our own country. We trust that we shall yet see the day when India will again export with advantage her muslins, her cotton (raw and manufactured), her sugar, her silk, and her indigo; and to effect these benefits, we would bespeak in her behalf the sympathy of our Legislators, to induce them to relax in the fiscal regulations, which have hitherto borne so heavily upon our Eastern productions, as to be almost tantamount to a total prohibition.

As Sir Thomas Munro justly remarks, in a letter to Mr. Finlay, dated Madras, August 1825: "India is the country that has been "worst used in the new arrangement. All her "products ought undoubtedly to be imported "freely into England, upon paying the same "duties, and no more, which English products

"pay in India. When I see what is done in "Parliament against India, I think that I am "reading about Edward the Third and the "Flemings."*

Committee of the Lords.

There are other opinions in the same letter, in the greater part of which we fully concur, for we are amongst those, and greatly mistake if we may not add to the number the East-India Company themselves, who are disposed to afford every possible facility to trade and commerce, consistently with what they conceive to be best calculated to promote the public interests and welfare.

We cordially concur with the views of Mr. Elphinstone, as to improving the means of justice for the poorer class of natives, and of introducing native juries, which he thinks

—"would tend very much to the improvement of the "people, by drawing their attention to public business; "but he doubts whether they would promote the imme- "diate objects of obtaining either a speedy or an im- "proved administration of justice.

We also entirely agree with him as to the expediency of extending the means of education to the natives as far as possible.

With respect to the employment of natives in the management of the land revenue, Sir Thomas Munro observes, that "juster views have "of late years been taken of this subject, and "the Court of Directors have authorized the

* Life of Sir T. Munro, vol. iii. p. 429.

"employment of the natives on higher salaries, "and in more important offices. There is true "economy in this course, for by it they will "have better servants, and their affairs will be "better conducted."*

We attach considerable weight to the opinions expressed by Sir Edward Hyde East, as to the incompetency of the Europeans to enter with effect upon judicial functions, at the early age at which they are sometimes introduced; and we think benefit would result from their being educated with more immediate reference to employ in the judicial branch of the service, with which, however, it is to be recollected the revenue branch is materially connected.

The inhuman and idolatrous practice of *Suttee* has already been abolished. We anxiously anticipate that the crime of infanticide will soon cease to exist. We look forward to the unfortunate inhabitants of Malabar being raised from their state of native slavery, and freed from a bondage so incompatible with the principles of British government; principles which, we have reason to believe, govern the instructions from the Home Authorities to their servants in India.

It may be said, that had it not been for the desultory enquiry of the Committee of the Lords, the subjects would have remained unthought of; that the time for improvement would, in the opinion of the East-India Com-

* Life of Sir Thomas Munro, vol. iii. p. 357.

pany, have been the future and not the present. To this we will reply, by referring such objectors to the voluminous printed records which are within the reach of every individual who has taken a part in the late proceedings, and which will shew the attention already given to these subjects. It will indeed be found, that since the limited period within which the vast additions have been made to our Indian empire, the Home authorities appear to have been actuated by a desire to obtain a thorough knowledge of all the internal relations and capabilities of the several countries as they have been acquired, and to introduce such amendments in the modes of administration as seemed best calculated to secure the welfare of the people.

Committee of the Lords.

It must be recollected, that little more than thirty years have elapsed since the largest of our territorial acquisitions were made. It was only in 1799 that the treachery of Tippoo led to our acquisition of the kingdom of Mysore. The powerful attitude and jealousy of the Mahrattas, and the indisposition of the Paishwa to an alliance with us, was the cause of our treaty with the Nizam in 1800. The war which followed with Scindia and Holkar, in the beginning of 1801, led to the means of our establishing our interests at Poonah, through the statesman-like measures of the Marquess Wellesley, which ended in the treaty of Bassein. We were at

Late period of territorial acquisitions.

the same time engaged in sending troops to Egypt, and likewise a mission to Persia, to induce them to attack Khorassan, for the purpose of drawing off Zemaun Shah from our frontier. It was only in 1803, through the instrumentality of General Wellesley, that a coalition between Scindia, Holkar, and the Rajah of Berar, against the Nizam, was defeated. These operations were followed by hostilities with Holkar, the retreat of Colonel Monson, and the failure against Bhurtpore. It was the battle of Deig, with the capture of Chandah, which obliged Holkar to retreat across the Chumbul. It must be also well known to our Indian readers, that the Carnatic was only brought under the British government in 1801.

When Lord Cornwallis succeeded Lord Wellesley, in 1805, a new line of policy was adopted, which led to a dissolution, on our part, of the connexions which we had formed with the states of Gwalior, Gohud, and Jeypoor. It was also contemplated, in following up the same line of policy, called for at the moment, in the judgment of Lord Cornwallis, by the necessity of economy, although diametrically opposed to the brilliant course pursued by Lord Wellesley, to have disposed of the conquered countries southward and westward between the Rajahs of Macherry and Bhurtpore. These particular points are brought forward, to shew how

utterly ineffectual any attempt would have been at that time to acquire a sufficient knowledge of the internal state of those countries, by which alone effectual measures of improvement and amelioration could have been successfully introduced, on their subsequent repossession by us.

Committee of the Lords.

It is needless to dwell on the successive events which have so recently followed, and which have ended in the extension of the British power during the administration of Lords Hastings and Amherst, from the Indus to the Himaylah Mountains and Arracan, and from Cape Comorin to Lahore.

The wonder, then, must be, not that so little, but that so much has been done.

" When we compare other countries with
" England, we usually speak of England as
" she now is ; we scarcely ever think of going
" back beyond the Reformation ; and we are
" apt to regard every foreign country as igno-
" rant and uncivilized, whose state of improve-
" ment does not in some degree approximate
" to our own, even though it should be higher
" than our own was at no very distant period.
" We should look upon India not as a tem-
" porary possession, but as one which is to be
" maintained permanently, until the natives
" shall, in some future age, have abandoned
" most of their superstitions and prejudices,
" and become sufficiently enlightened to frame

Committee of the Lords.

"a regular government for themselves, and to "conduct and preserve it.*

We entirely accord in these sound and enlightened views, which we are satisfied would be of incalculable benefit to India, were they more fully understood by those, to whom the task is in part delegated of superintending the government of that country.

When we reflect that in this country it has only been of late years, by the indefatigable and enlightened zeal of the Right Hon. Sir Robert Peel, that *our* criminal code has been cleared from laws which were declared to be a disgrace to our statute-book, it manifests but a narrow acquaintance with the vast and extensive subjects embraced in our Indian history to imagine that an inquiry of a few days, conducted with particular objects, could qualify any one to pass a judgment on a system so imperfectly understood or appreciated.

We are quite sure that their Lordships, in the course which they followed, were governed by an anxious desire to advance the prosperity and happiness of the people of India; but we much question whether the terms of the motion under which the Committee was appointed, embraced the various and extensive subjects which have occupied their time and attention.

* Life of Sir T. Munro, vol. iii. p. 388.

Committee of the Lords.

The state of the East-India Company, and of the India and China trade, were the leading points; and had it been deemed expedient, after disposing of those heads of enquiry, to have entered into the internal administration of our varied and extensive possessions in the East, we should have suggested a course of proceeding certainly differing from the one that has been adopted.

Suggested mode of enquiry.

The objects which the Committee have had in view, we think, would have been more effectually attained, had a series of well-digested questions on the several points touched upon in the investigation been framed and laid before some of the most eminent of the Company's servants, and other gentlemen of character and respectability, who have resided in the several parts of India, and who have been employed in the various branches of the public service, or who have been engaged in commercial and other occupations. These gentlemen, instead of being subjected to a desultory and diffuse course of examination, by parties ill informed on the matters under investigation, by which no clear, connected, or satisfactory result has been elicited, would have been prepared to have offered their deliberate opinions upon such queries as might have been submitted to them; and the body of valuable information so obtained would have proved of the greatest advantage

in guiding the judgment of those on whom the decision upon the momentous points at issue must ultimately devolve.

Proceedings of the Committee of the Commons.

We now turn to the proceedings of the COMMITTEE OF the COMMONS. It appears that with the exception of the first day of that Committee's meeting, and those of the 7th and 17th of June, which were devoted to points of finance, and of the two last days which were given to a consideration of the Half-caste petition, the remaining thirty days were occupied in the examinations connected with the China Trade.

When the report of the Committee was laid before the House of Commons by Mr. Ward, their Chairman, that gentleman disclaimed being the author of it, but bore testimony to the unanimous opinion of the Committee as to the ability and impartiality with which it had been drawn up. We understand that the public are indebted to Mr. Arbuthnot for this able summary of the conflicting evidence on the China Trade. It was a task undertaken by him at the request of the Committee, and we do not remember any Parliamentary Report in which the expression of an opinion has been purposely avoided, that has presented greater claims to attention, from the importance of the matter touched upon, than that now before us.

Committee of the Commons.

It is to the same Right Hon. Gentleman we owe a debt of obligation for having drawn forth, by a series of pertinent and judicious questions, some valuable and interesting information from one of the most intelligent of the witnesses who appeared before the Committee, to whose evidence we shall have occasion to advert at considerable length.

It will be perceived on reference to the Report, that although the Committee were in the first instance anxious to confine their attention to the China Trade, they were unavoidably compelled to touch upon the financial branch, in order to render the results of that trade, as affecting the operations of the Company in the joint character, clear and comprehensive to the general reader.

We propose in the first place, therefore, briefly to notice the financial part of the question.

Finances.

The East-India Company from the acquisition of the Dewanny in 1765, have acted in the combined character of sovereigns and merchants; Their opponents have grounded one of their strongest objections to the Company upon their acting in this joint capacity,—and have invariably asserted that territory has been drained for the purposes of commerce, and that had a distinct and separate account been kept of the territorial revenue, such fact would have been fully established.

Committee of the Commons. Finances.

So decidedly had this opinion gained ground, that in the Act of 1813, commonly called the last Charter Act, a separation of accounts was accordingly provided for, under the two heads of TERRITORIAL and COMMERCIAL receipts and charges. Under one or other of these branches the whole of the receipts and payments of the East-India Company, both at home and abroad, since the 30th April 1814, will be found.

It is important to remark, that the plan which describes the several items chargeable to each branch, was approved by the Board of Commissioners for the Affairs of India, and laid before Parliament.

It appears in evidence that the claims of commerce on territory, previously to 1780, amounted to £3,616,000
from 1780 to 1793 to.................. 6,829,557
from 1793 to 1814 to.................. 1,559,377
arising out of supplies and expenditure made out of the commercial means of the Company, beyond what territory has repaid or returned.

It moreover appears, that since 1814 the gross territorial receipts to the latest period to which the accounts can be made up, comprising a period of fourteen years, have been £284,804,815
The charges.......................... 304,188,859

Leaving a deficiency of 19,384,774

against the territorial branch Of the charges £278,911,469 has been expended in India.*

Committee of the Commons. Finances.

The average disbursements in England on account of territory since 1814 has been about £3,000,000 annually. This large advance or payment in England on account of territory has been in part repaid by remittances from India and China.†

The rate at which these repayments have been made in India for the disbursements on account of territory by the Company in England was fixed by the Board, under the powers vested in them by the Act of 53 Geo. III. c. 155.

The accounts in Bengal are kept in sicca rupees, these are converted into current rupees, which rupee is sixteen per cent. less valuable than the sicca;‡ in consequence of such mode of calculation the territorial account gained by exchange in the fourteen years £7,187,178. In the same Act of Parliament it was provided that the surplus

* Civil Establishments..........	£117,606,336
Military.....................	137,253,467
Interest Indian Debt..........	24,051,666
St. Helena....................	1,362,256
In England....................	23,915,134

† Through India	£12,920,937	since 1814
China....	11,417,113	
	24,338,050.	

‡ Sicca Rupee.......	2. 3$\frac{84}{100}$.
Current do........	2.

Committee of the Commons. Finances.

commercial profits of the Company in England which remained after paying all commercial charges and a dividend of ten and a half per cent. to the Proprietors on the *capital* stock, amounting to £630,000 per annum, should be applied to the benefit of territory in such manner as the Court of Directors, with the approbation of the Board of Commissioners, might determine.

Aid from commerce to territory.

During the fourteen years a sum of £4,923,020 has been accordingly applied from the surplus commercial profits to the aid of territory, making with the sum gained by the rate of exchange a total benefit derived by territory from commerce of £12,110,198 during the last fourteen years, besides which there is an additional sum of £3,184,000 due from territory to commerce in account-current.

We think that these facts fully confirm the statement made by Lord Ellenborough on proposing the appointment of the Committee in the House of Lords, and presenting accounts which he stated had been prepared "for the "purpose of dissipating the fallacy which has "arisen out of doors, and which has been "most industriously propagated in this coun- "try, namely, that the territorial finances of "India have derived no benefit from the com- "mercial funds and profits of the Company. "The case is far otherwise. It will appear

"from the documents which have been laid "before Parliament, that during the course of "the sixteen years which have now elapsed "since the renewal of the Company's charter, "in point of fact, the territorial finances of "India have appropriated to themselves, either "directly or indirectly, as large a sum of the "commercial profits of the Company, as has "been appropriated to the payment of divi-"dends to the Proprietors of East-India Stock; "and, in fact, since the renewal of the char-"ter, the monopoly of the China trade has "rather been administered by the Company for "the benefit of the finances of India, than for "their own."

Committee of the Commons. **Finances.**

A short summary of the whole of the commercial concerns of the Company from 1814, laid before the Committee of the Commons on the 17th June, will shew at one view the results to the year 1828-29, *viz.*

India investments, costs and charges	£27,440,762	
Sale amount	27,109,120	
		331,120
Charges in India, sea losses, &c.		318,662
		649,782
Profit on exports from England...	£430,294	
Do. on Saltpetre	9,206	
		439,500
Nett loss on India trade since 1814		£210,282

Committee of the Commons. Finances.

China investments, costs and charges	£39,953,371
Sale amount........................	56,140,981
	16,187,610
Deduct charges and sea losses......	773,196
Nett profit	£15,414,414

From which if £210,282, the *nett loss* on the India trade since 1814, be deducted, there will be left *a nett profit* of £15,204,132 on the India and China trade.

Had the accounts been made up at the mercantile rate of exchange, ascertained from the rates at which bills have been drawn from London on Calcutta in each year, instead of the rates fixed by the Board of Commissioners as regards the repayment of territorial advances, the foregoing account of their India trade would have exhibited a profit of £2,313,825, instead of a loss of £210,282, making a difference of £2,524,107

The profit on the China trade would have been increased in the same period by the sum of 1,556,902

Making a total difference of £4,081,009

It is nevertheless true that one witness, than whom we do not believe there is a more amiable man in private life, still pertinaciously contends, in the face of every official proof, and of the concurrent opinion of every authority who has

presided over the affairs of the Company, either in India or in England, that *commerce* derives its pecuniary means from the *territorial* revenue. We give the evidence of Mr. Rickards, to whom we refer, which is as follows:—

Committee of the Commons, Finances.

"You say the profits on the China trade are small? "—According to my view of the documents, there would "seem to be a small profit on the China trade, but not "after paying dividends and interest on home bond-"debt.

"And yet you say that this payment of £3,000,000 "a year is made from the proceeds of that trade?— "From the proceeds of the sale of goods, for which the "revenues of India appear to me to have furnished "funds.

"But still it is through the medium of that trade only "that those territorial charges are defrayed?—From the "sale proceeds of the goods, not from the profit.

"Then you still persist in the opinion that the terri-"tory supports the trade?—I do.

"Would your opinion remain unaltered if it were "shown to you that Lord Melville, Mr. Canning, Mr "Bathurst, Mr. Williams Wynn, and Lord Ellenbo-"rough, in their offices severally, as presidents of the "India Board; that the Marquis of Hastings, Lord "Amherst, and Lord William Bentinck, as Governors-"general; that the several Chairmen, Court of Directors "of the East-India Company; and that all the Ac-"countants of the India Board, of the Bengal Govern-"ment, and of the Company, totally differ from you in "that conclusion, and unite in agreeing that since the "accounts were separated the territory has derived re-"sources and aid from the trade?—The question, I

Committee of the Commons.

"admit, contains a host of most respectable authorities "against the conclusion I have drawn, but opinions on "either side do not amount to proof."

We notice this circumstance, because it shews how strong a prejudice still exists against the Company's commercial system, and the singular attempts that are still made to maintain a position so manifestly absurd, and so utterly untenable upon any rational ground of proof or demonstration.

hina Trade.

In proceeding to consider the China Question, it is important to bear in mind that of the remittances made from abroad to meet territorial payments in this country on account of India, £11,417,133 was made through the China channel of remittance, the only one which, in fact, produces at the present time a favourable commercial out-turn. It is likewise the source from whence the Company derive the means of paying the dividends upon their stock, amounting to £630,000 per annum, which is about 3½ per cent. on the capital embarked of £21,731,869.

It is on this account that the East-India Company contend for the continuance of their exclusive privileges, so far at least as that in tea is concerned, which alone enables them to meet all the pecuniary demands arising out of the combined trust reposed in them.

To this exclusive privilege the Liverpool merchants and others object, in their petitions to Parliament.

Committee of the Commons. China trade.

We proceed to notice the evidence brought forward in support of those objections. The two first witnesses examined were gentlemen belonging to the Company's factory in China.

It must not be inferred from this circumstance that they were called forward to make out any case on behalf of the Company. It was at the instance of the Committee that they attended to give evidence, and the advantage that the opponents of the Company derived from the fact will be apparent, from the means which it afforded them of framing and bringing forward witnesses, who were examined with the direct view of rebutting or oversetting such evidence, and of establishing the necessity and importance of throwing open the trade with China to the public at large.

Super-Cargoe Evidence.

Messrs. Marjoribanks and Davis, the two gentlemen alluded to, appear to have given their evidence with great clearness and impartiality; there was no desire to magnify the risque which they conceive would be incurred by a repeal of the existing restrictions. They considered that the security of the trade would be endangered by the resort of a greater number of British ships to Canton; that a very active competition

Committee of Commons.

would soon arise, and have a tendency to induce them to undersell each other in imports, and to give higher prices for the productions of China than are now given by the Company; that smuggling, which had much increased in China of late, would be still further extended, and prove another cause of endangering the trade; they stated that the East-India Company's servants set their face decidedly against all illegal traffic; that the Company's representatives in China possess a superior influence over other foreigners from the magnitude of their trade, the regularity with which their affairs are conducted, and the good faith which is universally observed by the Factory in all their transactions. They did not consider that an increased consumption of British manufactures would take place, as the Chinese markets have of late years been fully supplied with them at most reasonable prices, but upon which prime cost could not be realized. They stated that some of the impediments would arise out of the limits which the Chinese have set to foreign trade; that there is only the port of Canton, situated in a southern corner of the kingdom, open to the foreign trade, with the exception of that of Amoy partially to Spaniards: which the Spaniards have been obliged to abandon from their inability to cope with the Mandarins. It appears that the articles which we import into

Committee the Commons.

China, are carried to the northern provinces, which being cold is where woollens are principally used. Those provinces are situated twelve hundred miles from Canton ; the mode of conveyance is by canals, and is expensive; heavy duties are charged on foreign importations, and the laws of the country prohibit the use of strange and foreign things; and that the Chinese have arrived at a very great perfection in their own manufactures. They stated that the Company have the pre-emption of all the black teas; that in some classes of the green teas they experience competition with the Americans, who frequently give higher prices than the Company's standard; but that even the green tea merchants, who are in number about four hundred, and men of small capital, always shew a greater wish to trade with the Company than with individual merchants, as they consider the Company a better customer and a better paymaster, and that the Company's large amount of trade gives their representatives in China great influence with the Hong merchants, (with whom alone they deal), as well as with all the government authorities any way connected with the Foreign Trade. That it has been through the exertion of their influence that a rise in the price of teas, as well as a closer monopoly, by the establishment of a co-hong, was successfully opposed and prevented; and

Committee of the Commons.

that the Company's representatives are the only persons in China who possess the right acknowledged by the government, of addressing them in the language of China. British ships from every port in Asia are permitted to resort to China, and British merchants have been allowed by the Company to remain in China, and every encouragement has been given to British commerce there; and that under the Company's protection the British trade generally at Canton originated and has been preserved, whilst the American trade has decreased. That although the Company have the exclusive right of trading with the dominions of the Emperor of China, they have given tea licenses to country ships to proceed from different ports in India to carry teas there and to New South Wales; and that with reference to the term Monopoly, the Company's servants have never shewn the least wish unnecessarily to restrict the limits of British commerce, or to interfere with the fair trader, as long as he conducted himself in a manner that could not endanger the general trade in Canton.

Without attempting to place any undue weight upon the evidence of the Company's supercargoes, and admitting that the access to the port of Canton and the facilities of trade are as great or greater than at any other foreign

port, we shall shew that the supercargoes are fully borne out in the greater part of their evidence by that which was brought forward on the part of the private merchants.

Committee of the Commons.

W. BROWN, Esq.

the head of an extensive mercantile establishment at Liverpool; trading with America, and from this country to China.

Evidence in support of private trade.

"Stated that latterly the speculations from this country "in goods shipped on account of Americans to China "have been very unprofitable. The direct trade of the "Americans from Canton to Europe has not been profit-"able lately."

Mr. R. MILNE,

resides in Philadelphia; has carried on a trade with China for a considerable period, and to India.

"The importation of tea into America has been over-"done. There have been very large losses, which he "attributes to the love of gain of persons who have got "embarked in the thing, conceiving that if they got a "larger quantity of goods they might recover themselves. "He never shipped goods for China, but carried out "specie, as the difficulty in trading in goods would "certainly have been greater. He left off the trade "because he did not find it profitable. He did not "make much, or rather did not make any thing.—When "he left the China trade he turned his attention to the "cotton trade, in which his friends and connexions in "Lancashire were quite at home, but he did not better "himself much."

Committee of the Commons

W. CARTWRIGHT, Esq.

a merchant at Buenos Ayres for the last eleven years.

" Had only one adventure to China, in the year 1822 ; " it was not a very profitable one, in consequence of the " high freight. It was a joint adventure amongst a " great number of British merchants there; the amount " vested was from 100,000 to 150,000 dollars. It was " the only adventure."

CAPTAIN ABEL COFFIN,

a citizen of the United States ; has commanded a ship of 397 tons in the China Trade.

" Several of the New York merchants connected " with the China trade have failed.—Thinks the profits " now realized by the merchants generally in the United " States considerably less than some years ago. There is " a difference of from five to ten per cent. in favour of " the teas purchased by the Company.—Cannot say " whether he has heard that the East-India Company's " factory have communications with the Chinese govern- " ment, but believes the Americans have not."

Mr. JOHN AKEN,

commanded a ship trading between India and China in 1817, 1818, 1819.

" The commission on the consignment to the American " merchant at Canton three and a half per cent. on the " sale price ; at Canton, two and a half on the invoice " price ; one for negociating bills.—The outside mer- " chants are people that you can scarcely ever tell what " character they are of, unless you have dealt with them " once or twice : if you deal with a stranger it requires " caution, and you may be minus.—Knows nothing of " the trade since 1819.--The Company's factors do not

"interfere in the least, they are not at all vexatious, "they are very liberal, they behave exceedingly well to "all the country captains. They were not any protec-"tion to me in carrying on the trade. If the hong "merchants had been guilty of any fraud, or anything "of the kind, I believe the supracargoes would take it "up and assist me in that particular, and perhaps inter-"fere with the Viceroy.—Thinks he did not buy his teas "as advantageously as the Company, who could pur-"chase their teas cheaper because they had great facilities, "and because they contract for them a year before."

Committee of the Commons

JOSHUA BATES, Esq.

an American, ten years in this country, a partner in the house of Baring, Brothers, and Co., and manager of the business of an American house connected with the China Trade.

"Thinks the trade of the Americans, as compared "with that of the Company, to be almost two-thirds less. "—The trade has been overdone by the Americans, "and the return in teas to Europe not profitable, not-"withstanding the Americans had the advantages of "outfit and victualling with foreign provisions."

This will further appear from the following answers to questions put to Mr. Bates:

"Would it put the British ships more upon an equality, "if those ships for long voyages might be victualled at the "price of provisions on the Continent of Europe?—It "would make a very great difference.

"If, for instance, they could be supplied with bread "and other provision-stores at the price of the bond-"ed warehouse corn, would that make a considerable "difference?—It would make a very great difference.

Committee of the Commons.

" It was the case that they could be so supplied some
" time ago ; I imported some beef from America to
" supply that demand, and they altered the law here to
" prevent it ; that was about the year 1826.

" Your object being to victual your ship with foreign
" provisions ?—That was the object of bringing the beef
" here."

It must, we think, strike our readers as an extraordinary circumstance, that it should have been necessary to introduce a parliamentary provision to protect British interests against the operations of British merchants, in promoting the advantages of our greatest competitors in commercial enterprizes.

The Company buy their teas at great advantage.

W. S. DAVIDSON, Esq.

resided at Canton as a merchant in 1807, *and from* 1811 *to* 1822.

" Supposing the trade to be thrown open to other
" Englishmen, if the Company continue to trade, he
" foresees that many difficulties may arise, and believes
" that individuals would conduct themselves so irregu-
" larly that they would be soon embroiled with the
" Chinese.—Comparing the time when he arrived at
" Canton with the time when he came away, he conceives
" unquestionably that there were greater facilities for
" trade at the termination caused by the privileges
" obtained by the exertions of the East-India Company's
" Select Committee ; and that it applied to the Ameri-
" cans as well as to all foreigners trading there. That
" supposing the trade were thrown open, and the Com-

Committee of the Commons

" pany to exist as a Company without exclusive privileges, " and supposing a consul, with perhaps a council on the " part of the crown, with powers to regulate the conduct " of every Englishman visiting Canton, he should say "—that unless judicious and energetic diplomatic " arrangements preceded such a change, the British trade " would not exist at Canton two seasons without the most " violent and serious interruption. His reasons for " thinking so were these. The Company possess the " twofold character of trading merchants and of a great " controlling power: they can temporise, as they have " done before; but if the representatives of Great Britain " emanated directly from the government of this country, " he conceives they would be placed precisely in the same " situation as the men-of-war have always been in, that " is to say, they would stickle for the honour of their " government, and they would not be able to recede from " their first demands, by which means the trade would " be lost for two seasons at least; many individuals would " be thereby entirely ruined, and the country would be " unable to reinstate their commercial intercourse with " China without incurring a vast cost."

In reply to a question in which Mr. Davidson was requested to state the advantages and disadvantages resulting from the British trade generally in China, under the existing regulations by the East-India Company, he states that the influence of the East-India Company, who can and do act with unity and vigour, forms a counterpoise of inestimable value against the Hong monopoly, which individuals could not form. The absence of this would have the direct effect

of decreasing the prices given for all the imports, and of increasing the prices demanded for all the exports. Another benefit is the facility of remittance through bills on their Indian governments, and security of person and property to British subjects. The disadvantages he considered to be both few and unimportant.

Mr. Davidson in the course of his examination adverted to the possibility of future changes in our intercourse with China, and he was asked to state to the Committee—

"What is your idea of this perfect state of the trade "with China which you should wish to see established?—"In doing so, I feel that I must consider China as a civi-"lized nation; and I therefore can entertain no doubt that "vigorous negociation would obtain Great Britain all the "privileges she can seek to enjoy in such a distant and "peculiar country. The only basis on which, I think, the "trade with that country could be carried on with safety "to this country, and with comfort to the individuals who "embark, is that of a treaty of commerce, wherein the "duties of the foreigners who visit China shall be clearly "and distinctly defined, wherein their rights, in return, "shall be acknowledged, and the whole connexion proceed "upon the sanction of such laws and regulations as I "cannot doubt (it being always assumed that China is "civilized) this country is in a state to exact. At the "present moment the government of China admit us to "hold intercourse with them. We take to them those "articles which they require, and we receive in return "the surplus of their productions; a state of things which "I hold to be the most wholesome and consonant possible

"with the interests of both countries; and I read in an "author of celebrity, under the head of 'Right of all "nations against one that openly despises justice,' that "if by her constant maxims, and by the whole tenour "of her conduct, she evidently proves herself to be "actuated by that mischievous disposition, if she regards "no right as sacred, the safety of the human race requires "she should be repressed;' and again, 'to despise "justice in general, is doing an injury to all nations.' "Vattel is my authority.

Committee of the Commons

"And you are of opinion that this better state of "things in China might be brought about by a more "vigorous exercise of authority on the part of this "country?—I do not entertain a doubt of it.

"Do you think it might be brought about by a mere "withholding of trade, or that it would require any more "vigorous measure to produce it?—I consider that a "vigorous negociation, accompanied by a threat that the "King of England would no longer consent to hold "intercourse with China on the degrading footing on "which it has hitherto been carried on, would altogether "alter the tone of the government of Pekin."

The gravity of the Committee must have been somewhat disturbed at this curious dissertation on the law of nations, and the writings of Vattel, by one who had contravened the existing laws of the state, which tolerated his residence on its shores, where, acting as an agent for smuggling opium, he describes himself as "having been involved in a constant sea of troubles." From this state he would now, by coercive means,

Committee of the Commons.

exact concessions, which we might deem best calculated to promote our own interests !

In the course of the examinations on the China trade, Mr. Bates, to whose evidence we have already had occasion to advert, stated that he should say

"—the teas cost the country about a million and a "half more than they would if bought on private account. "and that consequently the East-India Company derive "a profit of a million and a half beyond what he consi- "dered to be a fair mercantile profit. That he should "suppose 25 per cent. would be a fair mercantile profit "on the Canton cost on the finer teas. The coarser teas "would bear rather more. And that he could venture "to contract to deliver it for one-third less than the "Company's sale prices in London."

A statement made in such decided terms, by a member of so highly respectable a firm as that of Messrs. Barings, and involving a charge against the Company of a profit so enormous, and so far beyond what the act of Parliament, under which the upset price of tea at the Company's sales is fixed, could be supposed to authorize, led to the further examination of Mr. Bates as to the value put upon the tale, the Chinese coin by which the original cost of the tea is calculated.

[C]alculation of [th]e tale.

On the 3d March, in reply to a question as to the rate of exchange between Canton

and this country, Mr. Bates stated that the latest data was from newspaper authority, but was probably correct, and gave it at 3*s*. 11*d*. sterling the dollar for bills at six months, and with such a bill for £100,000 on a house of credit in England, teas could be purchased which would be at the rate of 5*s*. $5\frac{20}{72}$*d*. per tale. The average of the last five years he considered to have been about 4*s*. 1*d*. or 4*s*. 2*d*. the dollar. The latter would give the tale 5*s*. $9\frac{32}{72}$*d*. Thus, according to Mr. Bates, the tale calculated at the exchange of the day for bills was worth only 5*s*. 6*d*., and consequently the value put upon it by the Company of 6*s*. 8*d*. led to an increase on the prime cost of nearly twenty per cent., which was a contravention of the Act of the 24 Geo. III. cap. 38, which Act provides, that upon all teas put up for sale by the Company, the upset price shall not exceed the prime cost thereof, with the freight and charges o importation, together with lawful interest, from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea risque incurred therein.

Committee of the Commons

Mr. Bates being asked for the calculation upon which he came to the conclusion that the Company gained £1,500,000 more profit than would remunerate the private trader, replied

ommittee of e Commonst.

"I have no calculation made, but I can give the "Committee the materials for making one. I can give "the cost of a given quality of tea at Canton, and "taking the freight and charges, and the sale price here, "the profit is ascertained; and I should state, that in "these times ten per cent. is considered a fair mercantile "profit, and all gain beyond that would be so much "gained by the Company beyond a fair profit; that is, "private traders would sell their teas at a price so low "that would leave only 10 per cent. profit, and probably "even at less, and be satisfied.

"What allowance ought to be made for wastage of "the teas?—Very little.

"As much as 5 per cent.?—I should think not, per- "haps 2½ per cent.

"Will you have the goodness to state to the Com- "mittee some of the materials of your calculation?—Take "congou tea of the past year; I find the contract price "of the highest quality is 29 tales, that would be about "13½*d.* per lb. I would add for the freight 3*d.* per "pound, there would then be about 2½ per cent. loss of "interest, as I am calculating for it to be paid for with "the proceeds of bills drawn at six months' sight, and "the teas would arrive here before the bills would be 'presented, and I suppose the charges here are about "2½ per cent. There would be another 2½ per cent. "for the insurance, making altogether 7½ per cent., "which upon 13½*d.* would be 101-hundredths of a penny, "and then you have $17\frac{51}{100}$*d.* as the cost and expenses "of bringing the tea here; I add 10½ for profit.

"Have you made any allowance for wastage?—That "is embraced in the calculation of the cost per pound "in converting the peculs into pounds, and the tale "into pence; I include that in the 13½*d.* The total

"comes to $18\frac{86}{100}d$. I find that the highest sale-price "of congou was 3*s*. 1½*d*. Perhaps it would be safer "to take the second price of congou, that is 2*s*. 7*d*., "that is the price obtained at the last sale of the East-"India Company.

Committee of the Commons

"In making this calculation do you calculate upon "having a profit upon the outward cargo?—None what-"ever. I have taken the freight at which ships can be "chartered for the voyage out and home.

"Do you consider 10 per cent. a sufficient profit upon "an adventure of that kind?—Ten per cent. I should "consider a brilliant profit.

"You mean 10 per cent. beyond interest of money?—"I have estimated interest of money in the charges."

Charge of illegality against the Company

The opponents of the Company felt that they had now ample grounds for establishing a charge against the Company for having contravened the law under which they enjoyed the trade in tea, and that they had forfeited the exclusive privilege, which had consequently become null and void. In the course of the examination, for the purpose of establishing this charge, the late Right Hon. Member for Liverpool supposed an adventure in which the Company were to lose 500 per cent., and gravely asked, whether they should feel that the Act was not strained by charging the tale at a rate which should cover that loss?

We have heard of a man losing all he had embarked, but we have still to learn, how a man can lose 500 per cent. beyond the value he may have risked!

Committee of the Commons.

We have no cause to regret the protracted and close examination to which this charge gave rise. We owe to the questions put by Mr. Arbuthnot, the clear and comprehensive exposition by Mr. Melvill, "the Auditor of Indian Accounts," of the principle upon which the calculation is made for fixing the upset price of teas at the Company's sales.

Mr. Melvill's evidence in opposition to Mr. Bates'.

The evidence of this officer fully developes the combined operations for effecting remittances through China in part payment of the political outlay in this country on account of India, and for securing the commercial funds from which the surplus profits of £15,294,192 already shewn to have been applied since 1814 in aid of the Indian territory, has been derived.* We give, therefore, at greater length than we otherwise should, the evidence of Mr. Melvill upon a subject hitherto little understood, and yet forming one of the most important features in the present system of administering the affairs of our Eastern Empire.

"The first point that the Company have to consider "in carrying the law into effect is, how they are to com-"pute the prime cost of their teas. All the Company's "consignments and remittances to China are made "entirely with a view to, and do in fact terminate in, "supplying their treasury at Canton with funds for the "provision of tea. The course of proceeding which

* Vide page 42.

Committee of the Commons

" the Company adopt each season is this: they first take
" a view of the state of the market, and of the probable
" demand for tea, and according to that view frame
" their indent for a quantity of tea to be brought from
" China sufficient to keep up a year's consumption before-
" hand, as required by law, and estimate the probable
" cost of that tea in tales. The next step is to provide
" the means of paying for the tea. With that view they
" buy cotton in India for consignment to China, which
" is paid for in rupees, received in reimbursement of
" sums disbursed in sterling, on account of that portion
" of the territorial charges of India which is incurred
" in England. They direct the supercargoes to receive
" dollars in China in exchange for bills upon India,
" which are paid in rupees, received in like manner.
" They purchase British manufactures for consignment
" to China, which are of course paid for in sterling.
" A very small portion, about one-sixteenth of the
" whole, in 1828-9, was provided by bills drawn in
" China upon the Company in London. The prime cost
" of the tea brought to England under these arrange-
" ments is the sum expended in sterling in providing
" the tales with which the tea was bought, including
" freight and charges upon the outward consignments,
" which are in fact remittances, and upon the homeward
" investment of tea.

" Does it also include the charge of interest?—Interest
" forms a necessary part of the charges. The Company,
" as merchants, are entitled to charge interest from the
" date of expending the money in making the remittances
" until the period when, if they were free from the re-
" striction of the Commutation Act, they would be in
" the situation to sell the tea. That Act, however,
" restrains the Company from selling their tea imme-

" diately upon its arrival, by requiring that they should
" keep a considerable stock on hand; and in order that
" they may suffer no loss on that account, it is provided
" that the Company shall add to the prime cost of the
" tea lawful interest from the time of its arrival in Great
" Britain. Combining, therefore, ordinary usage, as
" respects interest being included in the invoice charges,
" with the parliamentary enactment, the upset price of
" the tea should include interest from the time of the first
" expenditure to the time when the sale proceeds of the
" teas are realized.

" Can you state what proportion of the funds required
" for the purchase of tea in China is raised by bills in
" India, or by consignments of merchandize from
" India?—The whole portion remitted from India
" amounts to about two-thirds of the whole, including
" consignments of merchandize from India to China, as
" well as bills drawn from China upon India.

" That proportion which has been raised by being re-
" mitted from India being raised in dollars in exchange
" for rupees, how is the sterling value of the rupees calcu-
" lated?—At the intrinsic par of the rupee, computing
" the value of fine silver at the old mint standard of
" *5s. 2d.* an ounce.

" But there is at present no such standard in silver?—
" I am perfectly aware of that circumstance. The stand-
" ard in this country being gold, there is no such stand-
" ard as *5s. 2d.*; nor can there, I apprehend, be any
" accurate standard for silver, but the market-price,
" in a country where the standard is gold.

" What is the market-price of silver at present?—
" *4s. 11d.* an ounce.

" The market value appears then to be *3d.* per ounce
" less than the amount observed in the Company's calcu-

"lations, has not there been an over-valuation in your "computation of the tale to that extent?—If the Com-"mittee were to restrict their view to the two or three "last years, undoubtedly there would appear to have "been an over-valuation of the tale in that respect; "but in former years of the present charter the market "price of silver considerably exceeded the old mint stan-"dard of *5s. 2d.*, and I have ascertained that upon an "average of all the years since 1814-15, there is only a "fractional difference between the value of the rupee at "the market price and at the old standard.

"Then, from your statement, it would appear that "upon an average of years there has not been any over-"valuation of the tale by the system the Company have "observed of bringing the rupees into dollars?—That is "what I meant to say; and I would beg leave to add, "that the Board of Control, acting upon the authority "given to them by Parliament, compel the Company to "credit the Indian territory with the rupee at more "than twelve per cent. above the old standard of *5s. 2d.*, "which valuation being one to which the Company, as "advised, are bound by law to submit, they would have "been perfectly justified in applying to their transactions "with China.

"That being the case, how do you account for their "not having proportionately increased the upset price "of tea?—The Company have never acquiesced in "the rates of exchange prescribed by the Board, but "have persevered up to the present time in earnestly "remonstrating against the observance of those rates, "and in entreating a revision of them. The China "accounts are not legally within the control of the "Board; and therefore, although the Company must "submit to the loss by this exchange, yet they have

Committee of
the Commons.

"been unwilling to give the least sanction to the rates
"by introducing them into the valuation of the tale in
"computing the cost of tea, the more especially as, if
"they had done so, it would have had the effect, which
"I trust I may be permitted to say the Company
"always deprecate, of raising the upset price of tea.

"Do not the Company adopt a different mode of valu-
"ing the tale in their account of profit and loss from that
"which you have explained with reference to the upset
"price of tea?—Yes. In their profit and loss accounts
"they adopt the fixed rate of 6*s.* 8*d.* as a medium rate;
"and the Committee will see that the Company are com-
"pelled to use a different rate in this account, as the
"effect of the Board's rates must be adjusted in the profit
"and loss. With respect to this old rate of 6*s.* 8*d.*, I
"find that it was recognized in the year 1781, in a paper
"appended to the Ninth Report of a Select Committee
"of the House of Commons on East-India Affairs.

"Can you state to the Committee what has been the
"average cost of the tale to the Company since 1814,
"upon the principle which you have been explaining?—
"The average cost of the tale to the Company since
"1814-15, upon the principle which I have explained,
"has been 6*s.* 7·502*d.*

"What has been the average rate per tale since 1814
"at which bills have been drawn upon the Company
"in England from Canton?—The average rate per tale
"at which the Company have been drawn upon from
"Canton since 1814-15 is 6*s.* 8·77*d.* The Committee
"will see that if that principle had been observed, the
"charge of interest in the computation would be for
"twelve months less than that included in the Com-
"pany's calculation, because bills of exchange would
"comprise the interest for that period; but, on the other

"hand, the Company's calculation includes charges that "would be incurred if supplies were obtained by bills. "Adjusting both sides of the calculation, I find that "the rate at which the tale would have been computed "in the upset price of tea, if the bill of exchange rate "had been the principle of computation, would have "been 6s. 8d. ·949 decimals.

Committee of the Commons.

"I am perfectly aware it is the ordinary usage to "value the coin of a foreign country expended in the "purchase of consignments to England in sterling at the "current rate of exchange. In ordinary cases it very "frequently happens that the cargo abroad is purchased "with funds raised by bills of exchange, and the cost "of those goods in sterling would, in such a case, be the "sterling amount of the bills; but the adoption of any "such system by the Company in their present circum-"stances, even were it practicable, would defeat the "financial provisions of the Legislature in respect of "India. If the Company were to buy their teas by "means of bills upon themselves, they would have to pay "those bills out of the proceeds of the teas, and then "there would not be funds for the territorial charges of "India, which comprise the reimbursement to the public "of that portion of the expenditure of Great Britain "which is incurred in respect of His Majesty's troops "serving in India. They also embrace the furlough "and retired allowances of officers in the Company's "army, the cost of territorial stores sent to India, poli-"tical freight and demurrage, and also a portion of the "interest of the Indian debt. The aggregate of those "several charges may be stated to amount, upon the "average, to £3,000,000 per annum, which is remitted "by the Company principally through their India and "China trade; and the Indian territory has the import-

Committee of the Commons.

" ant benefit of effecting this remittance at advantageous
" rates of exchange.

" In what mode does the territory obtain this advan-
" tage?—The territory obtains this advantage by remit-
" ting the three millions annually at the Board rates of
" exchange, 2*s*. 3·84*d*. per sicca rupee.—At present the
" remittance, about one million sterling per annum, is
" effected through the China trade. It has been, and it
" continues to be, the policy of the Company to increase
" the remittances through that mode.

" At what rate do the Company credit the Indian ter-
" ritory with the sums so remitted?—At 2*s*. 3·84*d*. the
" sicca rupee.

" Instead of 1*s*. 11*d*., for the reasons you have stated?
" —1*s*. 11*d*. is, I believe, the market rate now.

" Can you state to the Committee what is the present
" rate of exchange in India for bills upon England?—The
" last quotation I have seen is 1*s*. 11*d*. per sicca rupee.

" Can you state to the Committee at what rate, upon
" the average, since 1814, the Company have placed
" the tale in China by means of bills upon India?—
" 5*s*. 10·04*d*.

" Can you also state at what rate by consignments of
" merchandize from India?—At 6*s*. 7·36*d*.

" It would then appear that the consignments of mer-
" chandize have been a much less profitable mode of re-
" mittance than that of bills; how do you account for
" the Company having continued to adopt that mode?
" —The rate I have mentioned for merchandize of
" 6*s*. 7·36*d*. includes freight, which, had the funds been
" raised by bills, must have been charged upon the tea;
" omitting freight, the cost of the tale by consignments
" of merchandize from India to China is reduced to
" 5*s*. 7·76*d*.

" Then you mean to state that the upset price has " been rather kept down than otherwise by the practice " of the Company in sending merchandize from India to " China?—Clearly so; and encouragement has at the " same time been given by the Company to the trade in " an important article of Indian produce.

" Can you state at what rate the tale has been placed " in China by consignments of British manufactures? " —At 7*s*. 0·49*d*.

" You take the average since 1814?—Since 1814; " the rate would be lower if we took an average for a " smaller period of years.

" Then you are of opinion that the most disadvanta- " geous mode which the Company can adopt for provid- " ing funds for the purchase of teas is by sending British " manufactures?—I think that must be admitted.

" That being the case, can you explain why the Com- " pany have continued to adopt that mode, that being " so disadvantageous?—The Committee must of course " be aware that the Company have always from policy " been desirous of exporting the produce and manufac- " tures of Great Britain to places to which they have an " exclusive privilege of trading, and I believe I may " say that the Company have felt themselves under " something of a moral obligation to do so. This policy " has at different times been not only sanctioned, but " enjoined in the charters granted to the Company and " in legislative enactments. At the period of the last " renewal of the charter, the trade with India being " then opened, of course the Company ceased to feel it " *obligatory* upon them then to send British manufac- " tures to India, although they determined not to cease " doing so until it should become absolutely necessary; " but as they had the exclusive privilege of trading to

Committee of the Commons.

"China, they felt the force of the old obligation still "binding upon them, as relating to exports to that "country; and it was well understood between the King's "Ministers in 1813, and the representatives of the Com-"pany, that these exports to China were to be continued. "I may add, that when in 1826 the Company found "it necessary, from the state of the trade, materially to "restrict exports of British manufactures to India, Mr. "Williams Wynn, then President of the Indian Board, "remonstrated against that determination; and as that "related to exports to India, I think the Company "were entitled to conclude that the remonstrance would "have been much more decided if it had had reference "to exports to China. But independently of the policy "which has actuated these exports of British produce "and manufactures, it by no means appears to me that "the tale has been valued more highly than it would "have been if all the funds for buying tea had been pro-"vided in either of the other modes; for I cannot ima-"gine that the Company could have materially increased "their supplies of cotton to India, or their demand "upon the Canton market for money in exchange for "bills, without immediately either lessening the value "of the cotton in China, or raising the exchange for the "bills. I would further state, that in a concern of so "much magnitude and importance as that of the Com-"pany's in China, it is necessary that they should be "secure against the possible failure of funds there, which "might be the consequence of their having recourse to "only one method of remittance. The Company act "upon a system; and I would submit that one good test "by which that system might be tried would be, whe-"ther the valuation of the tale, by all the combined "methods which the Company have pursued, is or is not

"as good for the public as if the Company had supplied their treasury by consignments of bullion.

Committee of the Commons.

"Are you able to state to the Committee what, upon "the average since 1814, would have been the cost of the "tale, if the consignments had been entirely in bullion? "—6*s*. 6·278*d*., which, by the addition of the charges "now included in the valuation of the tale produced by "consignments of merchandize to China, would be in- "creased to 6*s*. 10·490*d*., which is 2·988*d*. in the excess "of the cost, at which, by the Company's combined "operations, the tale has been placed in China.

"It has been stated in evidence to the Committee, "that a very large sum, amounting to two millions ster- "ling, might be obtained in exchange for bills upon "England. Do you think, to that extent, it would be "possible so to obtain money in exchange upon Eng- "land?—Any opinion I can give upon that point must "be formed from a perusal of the official despatches of "the Company's Select Committee in China; and from "what they have at different times reported of the state "of the money market at Canton, I must be permitted "to entertain very great doubts whether so large a sum "as two millions sterling could be raised by bills upon "England in any one year, and I am quite convinced "that it could not be done consecutively from year to "year; were it otherwise, the rate of exchange would "be so enhanced by the demand as to make the tale "much more expensive than under the present system. "Besides, if the Company were known to depend on "that mode of supply, they would be at the mercy of "a few merchants at Canton, who would have it in their "power to combine and dictate the rate of exchange, "which inconvenience is not merely speculative; it is "one which the Company's servants in China have some-

" times mentioned in reference to their limited demands
" for money in exchange for bills. I would again re-
" mind the Committee, that the Company cannot grant
" the bills, or rather if they were to grant them the law
" would be defeated.

" Will you explain in what manner the law would be
" defeated ?—I refer especially to the 56th section of the
" Act of the 53d, which enacts, that a sum equal to the
" actual payments made from the commercial funds at
" home, on account of territorial charges in the year pre-
" ceding, shall in each and every year be issued in India
" for the purpose of the said Company's China or India
" investments. The Company must pay the demands
" upon them on account of the Indian territory, and
" they could not pay those demands if they drew those
" bills.

" Do you think it would be imprudent to risk the
" non-provision of funds at Canton, which would be the
" case if the exchange at Canton was exclusively relied
" on ?—I do.

" Do not you think that the probability would be,
" that there would be a more regular exchange between
" England and China, if it were not for the Company's
" monopoly, and if a free trade existed between this
" country and China ?—I think it must be admitted
" that, if the trade were free, there would be a regular
" exchange between this country and China, as there is
" between this country and India. The parties who
" engaged in that free trade would not be under any
" obligation to make it a channel of remittance from
" India, which the Company are compelled to do. If free
" traders to China were able, through the demand in
" India for remittance to Europe, to buy their teas with
" funds obtained more cheaply than the Company now

Committee of the Commons.

"obtain them, all such advantage would be derived "at the expense of India, because, unless the connec- "tion of this country with India were dissolved, India "would still have to transfer that large amount of "capital, estimated at £4,000,000 sterling per annum, "(three-fourths of which is now brought by the Com- "pany at a favourable exchange,) which must be "transferred in some way through trade, although it "is wholly distinct from commercial returns. It ap- "pears to me that this circumstance presents a formi- "dable obstacle to the growth of a profitable export trade "from this country either to India or to China, and ex- "plains the difficulty (which I see stated in the evidence "given to this Committee) of effecting returns for the "exports of manufactured goods to India.

"You have stated before, that the average amount of "remittance from India, charged to be paid in England "for stores, half-pay, and so on, amounts to £3,000,000; "how do you reconcile that with your statement now, "that a remittance of £4,000,000 would be neces- "sary?—£3,000,000 is the government remittance; in "addition to that there is an accumulation of private "fortunes and there are the allowances for families "in England of persons resident in India, which I "estimate at £1,000,000.

"Do you conceive that the Legislature, in speaking of "prime cost, could not have intended such a mode of "computation?—I have great reluctance in presuming "to give an opinion upon that point. Independently of "my statement, that the clause in the Commutation Act "was prepared by the Court of Directors, who, a "short time previously to preparing it, had themselves "expressed a view of what constituted *prime cost*, ac- "cordant with the principle now adopted, and which was

Committee of the Commons.

" before Parliament when the Act was passed, it strikes " me that the Legislature, in speaking of prime cost, " must have meant a computation founded upon fact, " which the rate of exchange would not in this case show. " Besides, if the Committee will be pleased to refer to " the Acts of the 13 Geo. III. c. 64, 19 Geo. III. c. 61, " 20 Geo. III. c. 56, 21 Geo. III. c. 65, they will find " that about the time when the Commutation Act was " in progress, Parliament was in the habit of con- " trolling, and in some cases absolutely prohibiting the " Company from accepting bills of exchange. I would " also venture to suggest one other point deserving of " some attention: if Parliament intended that the cal- " culation of prime cost should invariably be go- " verned by the rate of exchange, they would not have " authorized interest from the time of the arrival of " the tea in England; because bills being drawn at six " months' sight, there would have been in that case a " double allowance of interest for the period the bill " had to run after the arrival of the tea."

Mr. Melvill's refutation of Mr Bates's charge of the Company's exorbitant profit.

We now come to that part of the Evidence which has immediate reference to the Statement made by Mr. Bates, that the Company derived a profit of £1,500,000 per ann. beyond what he could supply the market at.

" It has been stated in evidence to this Committee, that " the public could be supplied with the same quantity of " teas as are sold at the Company's sales for the sum of " £1,500,000 less than the Company receive; do you " agree to that, or can you give any reasons for differing " from that calculation?—I trust that in answering that

" question I may be allowed to premise, that as the cal- " culations upon that subject which have been submitted " to this Committee have reference to a trade in tea alto- " gether different from that which the law has prescribed " for the conduct of the East-India Company, the result " of those calculations must be totally fallacious when " viewed as a test of the past management of a public " trust; and if the result of the calculations in question " be intended as a hypothetical view of the future, it " strikes me that it can be of little value, unless it be deter- " mined by Parliament that the system under which the " Company now administer their combined trust may be " dispensed with. Independent, however, of these con- " siderations, it appears to me, upon an examination of " the calculations, that one fallacy attends most of them. " Mr. Bates takes the valuation of the tale according to " the rate of exchange at the period of unusual depres- " sion; making the tale, according to Mr. Bates, 5*s.* $5\frac{20}{72}$*d.*; " according to Mr. Thornley, 5*s.* $6\frac{2}{3}$*d.*; and according to " Mr. Rickards, 5*s.* $6\frac{2}{3}$*d.* These rates are all lower than " any at which the Company have been drawn upon, and " they are also lower than any which I have seen quoted. " I hold in my hand the Canton Price-current of April " 1829 (and which is the latest period to which a rate " could be applied to the transactions to which these cal- " culations refer), which quotes the exchange upon Lon- " don from 4*s.* to 4*s.* 2*d.* the dollar; whilst these gentle- " men compute the tale by a supposed *late* rate of ex- " change, they compute the Company's charge for tea " at the prices realized in periods during most of which " the exchange value of the tale was infinitely higher. " I think the Committee will see that, in order to make " a fair comparison, the valuation of the tale, and the

Committee of the Commons.

Committee of the Commons.

" price of the tea, should have reference to the same " periods. Besides this general objection to all these " computations, I find that with respect to that sub- " mitted by Mr. Bates, he is mistaken arithmetically. " Mr. Bates selects contract congo tea, estimates its price in China at 29 tales per pecul, and states its cost in " sterling at 13½*d.* a lb. Now, after making the deduction " which Mr. Bates allows and states that he has himself " made for wastage, and reckoning the tale at the lowest " rate of exchange which has been assumed, viz. 5*s.* 5$\frac{20}{72}$*d.* " the cost in sterling, instead of being 13½*d.* is 14½*d.*, to " which adding 3*d.* per lb. for freight, 7½*d.* per cent. for " charges, and 10 per cent. for profit, those being the rates " stated by Mr. Bates, the price per pound is 20·03*d.* " instead of 18·86*d.* The whole quantity of tea sold by " the Company in 1829-30, was 27,455,063 lbs. weight. " If that quantity of contract congo, the tea selected by " Mr. Bates, were sold at the price assumed by Mr. Bates, " as now corrected, it would produce £2,291,353
" And at the average price realized for such
" teas at the Company's sales in 1829-30... 3,238,781
" The difference being........................... 947,428
" Which is, even upon Mr. Bates's data, one-third less " than the amount which he has stated is overpaid by the " public under the present system. Of this sum of " £947,428, £350,280 results from the biddings at the " Company's sales beyond the price at which the Company " offered to sell the tea; so that the real excess of the " Company's charge beyond that assumed by Mr. Bates is " reduced to £597,148, whereof one-third is ascribable to " the difference in exchange, and most of the remainder to " the items of freight and interest, the Company's charges " of which are necessarily in excess of those which a

" private merchant would incur, owing to the laws which " regulate their shipping, and make it obligatory upon " them to have a large stock of tea on hand.

Committee of the Commons

" Are you aware that Mr. Bates states in his evidence, " when he takes the last sale price at 2*s*. 7*d*., 'that is the " price obtained at the last sale of the East-India Com- " pany?'—Yes, but that is not the fact; the average " price was 2*s*. 4*d*. 312 decimals, instead of 2*s*. 7*d*., as " taken by Mr. Bates.

" Will you be good enough to give in a statement of " your calculation, by which you make the price of tea in " 1829 come out to 14½*d*. instead of 13½*d*.?—My calcu- " lation is simply this; a pecul of tea, 133⅓ lbs., losing " two and a half per cent. by wastage, purchased for 29 " tales, each tale being worth 5*s*. 5$\frac{9}{12}$*d*. costs 14½*d*. " per lb.

" You have said that the average sale price received " last year was 2*s*. 4*d*., and in correcting Mr. Thornley's " computation you state it at 2*s*. 2*d*.?—Mr. Bates's " evidence applies to *congo* tea, Mr. Thornley's applies " to *all* descriptions of tea; that accounts for the differ- " ence between these two prices.

" From Mr. Bates's calculations you have deducted a " sum of about £350,000, as excess obtained by the " Company in the sale of tea in the price at which they " put up their teas; do not you consider that as a profit " by the Company?—Undoubtedly it is profit; but my " distinction is this, it is not what they demanded, it is " the result of a fair competition in a market abundantly " supplied.

" Will you explain what you mean by a fair competi- " tion?—I mean that any one may go and bid for the " teas.

" That is according to the supply which the Company

"put into the market?—I will explain how the Company
"manage their supply. Previously to making the tea de-
"claration every quarter, they look at the amount of the
"deliveries during the previous quarter; they look also at
"the quantities sold in the previous sales, and they always
"put up at the sale a larger quantity than the average
"amount of the deliveries at the previous sales of the
"year, increasing the quantities of those sorts of tea
"which there appears to have been the greatest demand;
"that is also the principle which governs the Com-
"pany's orders to China for tea. The Committee are
"also perhaps aware that, as a proof of the market
"being abundantly supplied, very large quantities have
"been rejected.

"That is to say, left unsold at the upset price?—
"Exactly."

We find Mr. Melvill again questioned on the 10th May with reference to the answer which he gave on the 29th April, on the assertion of Mr. Bates as to the profit of one million and a half beyond what he could supply the market.

"You state that the price of the contract congou in
"1829 was 20*d*. ·03 per pecul; is not that the highest
"price?—It was necessary for me, in examining Mr.
"Bates's calculation, to take the price which he assumed.
"29 tales per pecul; and on reference to the prices
"actually paid by the Company, I find that the average
"price of contract congou was within 140 decimals of 29
"tales.

"Is not a great proportion of the tea very much inferior
"to the contract congou?—Yes; but my answer was
"given to meet the hypothetical calculation of Mr. Bates

" Are you aware of the quantity of opium which is sent " at the present moment from India to China?—I know " that it is very considerable.

" Are you aware of the fact of its having increased very " much?—I believe it has; but at the same time that " trade is subject to certain contingencies. The super- " cargoes have reported twice or three times during the " present charter, that owing to some new exercise of " rigour on the part either of the Emperor of China " or of the local authorities, to check the contraband " trade in opium, they have been unable to rely with con- " fidence upon the proceeds of that opium for the supply " of their treasury.

" Supposing that trade to have considerably increased, " would it not thereby afford considerable facilities in " carrying on the rest of the China trade?—The Com- " pany always take up two-thirds of their funds in " China, by either bills upon India or consignments " from thence; and therefore it can only affect, so far " as the Company are concerned, the difference between " that and the total amount of the prime cost.

" Are you acquainted with the present price of opium " in China: has not it diminished in proportion to the in- " creased quantity?—I am not acquainted with that fact.

" In answer to question 4356, relative to the difficulty " of obtaining bills in Canton upon England, you " stated that you would obtain the particulars there in- " quired after for the information of the Committee; " have you obtained that information?—I have. In " the year 1815-16, the supercargoes of China having " occasion to draw £841,716 in dollars, opened their " treasury in China for bills at the rate of *5s. 6d.* a dollar, " at which they obtained 391,823 dollars; they then " increased the rate to *5s. 9d.*, at which they obtained

Committee of Commons.

" 337,073; and they then further found it necessary to
" increase the rate to 6*s*., at which they obtained 112,820
" dollars; and they ultimately were obliged to get specie
" from Bengal.

" What was the first rate?—5*s*. 6*d*., 5*s*. 9*d*., and 6*s*.
" So far as respects the question of facility for raising
" money in China for bills in England, I will read an
" extract of a secret letter from China, dated 28th of
" January 1826, in which the supercargoes say, 'the
" 'great and sudden falls in the value of bills on Eng-
" 'land, and the absence of any distinct ground on which
" 'to infer that bills will in the next season recover their
" 'rate, lead us to hesitate in offering an opinion that so
" 'large a sum as 1,000,000 of dollars may be procured
" 'next winter by bills issued at any rate of exchange,
" 'equivalent to the cost of a remittance of dollars from
" 'London to Canton on account of the Company.'

" What was the result in the following year?—In 1826
" they drew 73,169 dollars, and 79,168 dollars.

" Were they able in the subsequent year to draw to
" the amount of 1,000,000 of dollars, about which they
" expressed some doubt?—In the year 1827-8, they
" drew 1,700,000 dollars at 4*s*. 3*d*. the dollar.

" Were the fears anticipated in that letter actually
" realized?—It would appear not; but the apprehensions
" of the supercargoes probably arose from anticipating
" an interruption to the opium trade, which might or
" might not take place.

" Three years have since elapsed; has any other let-
" ter from the supercargoes been received expressing
" similar fears?—The supercargoes are not allowed now
" to draw upon England, and they have obtained their
" supplies by bills upon India, and by consignments from
" India and from England.

"Has there frequently been great difficulty in ob-
"taining bills upon India at Canton?—There may have
"been. The supercargoes have sometimes felt difficul-
"ty in negociating their bills upon India.

"Has there been any other mode of remittance resort-
"ed to in consequence of that difficulty?—Yes; bul-
"lion has been exported from Canton to India.

"Would the rate of exchange show a difficulty of
"getting bills; has not the rate fallen from 4*s*. 3*d*. to
"4*s*.?—It would appear so from the Canton Regis-
"ter. I believe the quotation in that document of
"the low rate is accompanied by the observation 'No
"Bills.'

"If the East-India Company in their trade with
"China, think it necessary to employ all the different
"circuitous modes, which you have described, of main-
"taining the exchange in Canton, so as to bring the tale
"out, as you have stated, at 6*s*. 8*d*. to the Company;
"and if under that protection which the Company
"are giving to exchange, the foreigners are availing
"themselves of that circumstance to draw their bills
"as low as 5*s*. 6*d*. the tale; is it not clear that the
"Company are working for the benefit of the foreigners
"in that instance?—I could not arrive at any such
"conclusion by looking at the exchange in one year.
"No just conclusion can, I apprehend, be formed,
"but by looking at it upon the average of years; and
"upon the average I find that the Company's valuation
"has been less than that of the exchange rate at
"Canton, and therefore less than that at which a fo-
"reigner can draw."

It was naturally to be expected that Mr. Bates
would feel called upon to offer some explana-

Committee of the Commons.

tion of the extraordinary discrepancy between his evidence and that given by Mr. Melvill.

We accordingly find Mr. Bates stating to the Committee, on the 3d June, in reply to the question, whether he had any observations to make on Mr. Melvill's remarks:

Explanatory evidence of Mr. Bates.

"There are some slight errors in my evidence, which, "with the permission of the Committee, I will correct; "and in doing that will make those observations that "occur to me upon the evidence of Mr. Melvill. On "my first examination, my answer to interrogatory "3430 should have been, that the freight was included in "the twenty-five per cent. gross profit, which would leave "from five to ten per cent. net profit, according to the "description of tea composing the cargo. On my second "examination, in answering interrogatory 3989, in "order to save the time of the Committee I gave from "memory the sterling price of a pound of congou tea; "on revising my evidence I found I had committed an "error, which I corrected, giving the true cost of tea at "twenty-nine tale, exchange 3*s*. 11*d* 14*d*. *a*. 19. From "this I deducted, for fourteen months' interest from the "date to the maturity of the bills, five per cent., or "seventy, leaving the cash cost at Canton 13*d*. *a*. 49. "As to wastage, there can be none on tea. I had sup-"posed interrogatories 3987 and 3988 related to the "difference in net weight here and in China arising from "different allowances, which I was aware varied in diffe-"rent markets. On inquiry I found that the Company's "purchases and sales were by real tare, throwing up to "the buyer the half pounds, and sometimes the odd "pounds, which allowances I thought more than compen-"sated by the gain in weight which is invariable on tea "brought to a moist climate. Mr. Lloyd states the real

" difference in net weight to be two per cent. He is pro-
" bably right; but I do not think it worth while to disturb
" my figures, as I have overrated the freight very much.
" I had supposed that for so large an amount of tonnage
" many ships must go out in ballast; but Canton forms
" so natural a link in the commercial chain of operations
" with India, that a great portion of the tonnage would
" come from Bengal and Bombay to Canton, and would
" not cost over *2d.* per lb.; and from experience, since
" my last examination, I am convinced that 2¼*d.* and
" 2½*d.* per lb. is high enough to fix the freight for the
" present time, or any time within three years. Mr. Mel-
" vill states that the exchange is taken at too favourable
" a rate, and that the Company have not been drawn on
" at that rate: he has not stated at what rate the Com-
" pany were drawn on. By the statement of Mr. Lloyd
" it appears that more than 4,000,000 of tales of the
" 6,000,000 required for the year 1828-9 were derived
" from bills on Bengal, and the sale of British manu-
" factures, near 2,000,000 being for bills on Bengal.
" The official valuation prevents my getting at the rate
" of exchange at which these bills were drawn; but I
" have here a Canton Price-current of the 20th of
" February, which gives it at.................. 202
" of March 200
" and of April 202
" If 202 sicca rupees per 100 dollars be taken as the pro-
" bable rate at which the Company negociated their bills,
" the exchange at Calcutta being at 1*s.* 10¾*d.*, the exchange
" in London would have been established at a fraction un-
" der 3*s.* 10*d.* Bills in Calcutta are drawn at thirty days'
" sight from Canton; the interest gained would therefore
" compensate for the expense of passing the operation
" through Bengal. Mr. Melvill states that the Company

have sold, in 1829-30, only 27,455,063 lbs. of tea; but
“ in the general account of imports and exports I find
“ the quantity of tea retained for consumption, deduct-
“ ing exports to colonies, &c. in 1828, was 29,305,757, to
“ this should be added upwards of 200,000 exported to
“ the colonies, making 29½ millions, which corresponds
“ with Paper No. 38, signed T. G. Lloyd, by which it
“ appears that the quantity sold

“ In 1826 was........................	29,409,251 lbs.
“ 1827	30,327,166
“ 1828	29,982,080

“ This amount includes the private-trade, which, as now
“ carried on in teas, is only a branch of the monopoly.
“ Taking 29½ millions, therefore, as the present consump-
“ tion of those that are compelled to obtain their supply
“ through the Company, and the difference between the
“ price at which I have stated the tea could be sold and
“ yield a profit, if free, and the Company's sale price,
“ which is $12\frac{41}{100}$, the total difference for the year 1829-30
“ would be £1,492,208. Since my last examination I
“ have procured from Holland a sample of the tea which
“ cost 29 tale, and also of that which sold at *3s.* 1½*d.* and
“ [illegible]*7d.* at the last sale of the Company; in my judgment,
“ the Company's highest priced tea has the preference
“ in quality, but that which sold at *2s.* *7d.* is barely equal
“ to the sample from Holland. Mr. Melvill states that
“ the average cost of the Company's congo tea, 1828-9,
“ was 29 tales and a fraction. The Committee will un-
“ derstand that he probably speaks in the language of the
“ India-House, which means that the cost of the tea in
“ tales, the expenses of the factory, loss on adventures in
“ cotton, &c. &c. all added together, make that cost; for I
“ cannot bring myself to believe that the Company's
“ agents, who are clever men, would have bought congo

"tea at the prime cost, on the average (in the common "acceptation of the term prime cost), of twenty-nine tales "and a fraction, when the *highest contract price* was "twenty-nine to private traders, and teas of nearly equal "quality were 60·1 at tale eighteen in April, and the "general prices-current quote it from fifteen to twenty "tales, with a heavy stock from December to that time. "I never intended to state that the Company gained the "sum of a million and a half, and can readily believe "what Mr. Melvill states in regard to that.

Committee of the Commons

"At what did the tea, which you state cost twenty-"nine tales, sell in Holland?—In Holland it will not "fetch the cost at present. I beg to state that I have "with me the prices-current to which I have referred.

"Do any other observations occur to you upon Mr. "Melvill's remarks upon your evidence?—I have no "other observations to make."

Mr. Melvill on the 17th June was again questioned as to the statement made by him of the twenty-nine tales *within* 140 decimals; on the 10th May, as the average price of contract congo per pecul.

Mr. Melvill refutes Mr. Bates's misrepresentation.

"You stated that the average cost to the Company in "the year 1828-29 of congo tea, was twenty-nine tales "within one hundred and forty decimals per pecul; but "it appears that in the last evidence given by Mr. Bates, "he states that you had given the average price per pecul "at twenty-nine tales and a fraction. In saying within "one hundred and forty decimals, did you mean below "the twenty-nine tales, because if you meant below the "twenty-nine tales it would appear that Mr. Bates has "misunderstood you: will you explain that?—I am "very glad I have an opportunity of noticing Mr.

" Bates's last evidence. My only statement upon the
" price in China of the Company's contract congo tea,
" was in answer to question 4963, in which it will be
" seen that I stated the price to be within one hundred
" and forty decimals of twenty-nine tales per pecul. Mr.
" Bates says, that I stated the average cost of the Com-
" pany's congo tea in 1828-29, was twenty-nine tales
" *and* a fraction. That is totally different from what
" I said, from what I ever meant to say, or from what
" I think my words will admit of being construed to
" mean. This correction appears to me to be of import-
" ance, because Mr. Bates twice repeats his assertion,
" and reasons upon it as if it were fact. Mr. Bates
" seems also to think that in the twenty-eight tales and
" eight hundred and sixty decimals I have included
" charges not usually comprised in prime cost; in that
" respect also Mr. Bates is mistaken. I only include the
" commission on buying the tea, and the charge of ship-
" ping it, which I apprehend every merchant would
" include in his prime cost. Mr. Bates also still calcu-
" lates 2*s*. 7*d*. per pound as the price paid to the Com-
" pany for the tea. I must take the liberty of referring
" the Committee to the answer which I gave in reply to
" question 4363, and repeat, that the average price paid
" to the Company for their contract congo tea, in the
" sale to which Mr. Bates refers, was not 2*s*. 7*d*. as he
" states it, but 2*s*. 4*d*. 312 decimals; and I would refer
" to the official returns upon the table of this Committee,
" to prove that Mr. Bates has no authority whatever for
" assuming the price of 2*s*. 7*d*. as that paid to the Com-
" pany. Mr. Bates also speaks, in his estimate of the
" Company's contract tea, of the Company's congo tea,
" of the Company's winter tea, and of the Company's tea,
" as if they were all synonimous, from which a casual

"and uninformed reader might infer that the average "price paid by the Company for the whole of their teas "was twenty-nine tales and a fraction, whereas the "average price paid by the Company for their congo "teas, including the winter teas, was only twenty-five "tales and a fraction."

Committee of the Commons.

Remarks on evidence by Mr. Melvill and Mr. Bate

It cannot fail, we think, to impress every impartial reader of the evidence given by Mr. Bates on the one side and that of Mr. Melvill on the other, that the former gentleman has, in a manner not the most ingenuous, endeavoured to twist and torture Mr. Melvill's explanations.

Mr. Bates stated on the 10th of May, that 25 per cent. was "what the Company obtained "beyond the fair mercantile profit." He was asked, "Do you mean *including freight and "insurance?*"—"*After,*" said he, "*paying "freight and insurance.*" Here is no hasty declaration, but a deliberate and decided answer of a mercantile man, well acquainted with the purport of the question, as well as of the answer he was about to give upon the point to which it had particular reference. On the 3d of June, we find Mr. Bates correcting what he called some *slight errors*, one involving the twenty-five per cent. profit just alluded to, and the freight which he had before deliberately excluded, thus virtually reducing the twenty-five per cent. to between five and ten per cent. profit! but still misrepresenting Mr. Melvill's

ommittee of Commons.

evidence on the 10th of May, by stating that he, Mr. Melvill, had said the average cost of the Company's congo tea in 1828-9, was twenty-nine tales, *and* a fraction, whereas what Mr. Melvill stated was *within* 140 decimals of twenty-nine tales! And, as Mr. Melvill very justly observed, the correction appeared to be of more importance, because Mr. Bates twice repeated his assertion, and reasoned upon it as if it were fact;—and only fell into further mis-statements in his attempt to correct his former errors.

We are at a loss to imagine what could be the motives of a witness of the presumed respectability of Mr. Bates, other than a desire to establish the position he originally advanced, that the East-India Company derived an exorbitant and unauthorized profit on tea, involving a breach of the law, under which they exercise their exclusive privilege of trading to China. Which charge has been so clearly and satisfactorily refuted.

ipping of e Company d rate of ight.

One of the causes which has, in a considerable degree, augmented the price of tea, is the rate of freight at which the East-India Company have been obliged to engage their shipping.

Upon this point Mr. Melvill was asked:

Committee of the Commons, Shipping.

"Do you think that the Company might conduct "the trade at a lower rate of freight than what appears "to be the freight paid for the East-India Company's "ships?—The Company take up their ships under the "provisions of an Act of the Legislature. I allude to "the 39th Geo. III. c. 89, the provisions of which were "re-enacted in 1818, in an Act carried through by the "late Mr. Canning, when President of the India Board. "The Act provides, that the Company, in contracting "for ships, shall make it a condition of the contract that "those ships shall be applicable to trade and to warfare. "The Act also requires that the Company shall take up "the ships for a certain number of voyages, and although "that may be an arrangement which, generally speak-"ing, is at least as beneficial to the contractor as to the "Company, yet when it happens, as it has done to the "Company, that contracts have been entered into in "periods of high prices, followed by periods of unusually "low prices, it is quite clear that the Company's shipping "system must suffer in comparison with that of the "private merchant; that is the case at present. The "existing contracts for the ships now in the service were "most of them entered into six and seven years ago. "That the Company can engage ships, if they act solely "as merchants, as cheaply as individuals, is evinced in "the fact that when, under the authority which that "Act gives them, they have taken up ships for only one "voyage, they have got them quite as cheap as a mer-"chant could. The difference in the rate of freight "between the average period, when the Company made "the contracts for large ships now in the service and "the present time, cannot be less than 18 or 20 per "cent.

"Do you mean to state that if it were not for the "contract the East-India Company would freight to "India as cheap as a private trader?—If the Company "were unfettered by law, and were not compelled to "make their ships applicable to political services, I have "no doubt that they would engage them upon as good "terms as individuals.

"When it has happened that there has been a great "rise in price instead of a depression, did they make an "allowance to the contractors?—That was done by a "special Act of Parliament; and I believe the late Mr. "Canning, who carried that bill through, took occasion "distinctly to guard against its being construed into any "thing like a precedent."

There can be no doubt that had the Company been unfettered by the legislative provisions under which they have been constrained to act, they would have necessarily supplied the tea at a less cost to the public.

It would be needlessly extending these pages to enter at any length into the shipping system of the East-India Company, which is not without its advantages, however it may appear objectionable on a mere superficial view of the question. We shall content ourselves with the following extract from a useful work relating to the Company,* in which we find the question touched upon at considerable length:

"The class of ships, and the system under

* Auber's Analysis of the Constitution of the East-India Company.

Shipping.

" which they have been maintained for the " service of the East-India Company, has " presented a resource in times of emergency " which has proved of most essential impor- " tance to the national welfare. In the early " part of 1795, Mr. Dundas addressed a letter " to the Court of Directors, signifying that, in " the then exigency of affairs, a great and " immediate addition to the naval strength of " the kingdom was of infinite importance; " that such consideration led his Majesty's " servants to turn their attention to the large " ships in the service of the East-India Com- " pany, which from their size and construc- " tion could be speedily converted into very " useful ships of war; also enclosing the copy " of a resolution of the ship-owners (to whom " Mr. Dundas had addressed a letter,) stating " that they could not treat with Government " but through the Court of Directors, as the " ships actually belonged to the Company.

" The Court of Directors immediately re- " solved to exonerate the owners from their " engagements, at the same time giving leave " for other ships of the same dimensions to be " built on the bottoms of those taken by Go- " vernment, thus keeping up the size and class " of such ships. Six of the large ships then " afloat were surveyed and accepted. Sir

Shipping.

" Andrew S. Hammond, the Comptroller of
" the Navy, intimated to the Court, that as
" no alteration was intended in the masts and
" yards of those ships, they would be soon
" ready for the service of the state. Eight
" other ships, which were then building for
" the Company, were also assigned over to
" Government, making an addition to the
" naval force of the country of fourteen large
" ships. To render the same effective with
" the least burthen to the state, the General
" Court, on the 13th March, unanimously
" resolved to authorize and empower the Court
" of Directors to raise three thousand men for
" the service of his Majesty's navy, at the cost
" and charge of the Company. The expen-
" diture on that account was £57,000. Again,
" in the month of July in the same year, Mr.
" Dundas represented to the Court of Directors
" that a very considerable quantity of tonnage
" would be wanted by Government early in
" September, for a special service, to the exe-
" cution of which the Indiamen were peculiarly
" well adapted, and that it would therefore be
" of the utmost consequence to his Majesty's
" service to know whether the Company's
" ships could be made available to carry
" troops from Great Britain, Ireland, and from
" Gibraltar, to the West-Indies. The Court

" made arrangements the same day, whereby " fourteen ships were made applicable to the " service in question.

Shipping.

" In September 1803, the East-India Com- " pany unanimously resolved, in order to " contribute towards the aid of the state, to " authorize the Court of Directors to engage " for six months, and to charter for the use of " Government, 10,000 tons of shipping: the " expense incurred by the Company on that " account was £67,000.

" The expediency of maintaining vessels of " the size, and found in the manner of those " employed by the East-India Company, has " been supported on the grounds, that it is " essential that the Company should at all " times have a fleet of ships at their command; " that on their outward voyage, they are " employed in the transport of troops and " stores to a very large extent, and are pecu- " liarly fitted to bring home, at the least ex- " pense, the valuable return cargoes from " China. The Company's ships partake of a " political as well as a commercial character; " on sudden emergencies, both in India and " Europe, they have been found of the most " important aid in promoting the welfare of " the state; in time of war, although greatly " distressed by the impress of men by his

Shipping.

" Majesty's navy in India (repeated repre-
" sentations having proved ineffectual to check
" that practice), and that at periods when the
" naval force of the country could ill afford
" convoy for such valuable fleets, Indiamen
" sailing in company, and commanded by
" officers of known character and qualifica-
" tions, have defeated the attempts of the
" enemy to surprise and capture them, in one
" memorable instance* beating off a first-rate
" French ship of eighty guns under Admiral
" Linoïs, accompanied by two heavy frigates,
" a corvette, and a brig."

It is proved beyond all doubt, that the East-India Company can hire ships at lower rates of freight, and in any future arrangement it would tend materially to reduce the charge on tea.

Situation of the East-India Company.

We proceed briefly to notice the situation in which the East-India Company stand with reference to the enquiry,

Nearly two centuries and a half have elapsed since the Company first established a commercial intercourse with India. Unawed by the difficulties which they have had to encounter, and surmounting by indefatigable perseverance, embarrassments which on various occasions threatened their very existence, they have pre-

* In 1804, the Company's China fleet under Sir N. Dance, near Malacca.

served the trade to this country, amidst the great and important changes that have taken place within that eventful period.

Situation of the East-India Company.

In the prosecution of that trade the Company laid the foundation of that immense empire in the East, which has been described by our statesmen as one of the brightest jewels in the British crown.

It has been made apparent that the Company, in their commercial capacity, have realized, since 1765, those pecuniary means, by which they have been enabled to maintain the character of sovereigns, without drawing on the British public in any direct way for permanent financial aid in administering the government of India.

From 1765 to 1814, the Company's demand on the territory amounts, as has been already shewn, to £12,044,934, and forms a distinct claim, whenever the period may arrive that a settlement with the public shall take place.

Since 1814, at which time the Company's transactions were separated under the two heads of territory and commerce, the gross receipts and disbursements appear by the evidence to have amounted to the sum of £478,103,911. Within the same period the state has received a revenue from tea duties of £57,125,882, at a charge of only £10,000 per annum.

India has also received aid from the surplus commercial profits of the Company, and in the

Situation of the East-India Company.

rates of exchange as fixed by the Board, of £12,110,198; besides which there is still due £3,184,000 from territory to commerce, exclusive of interest; making a total of £15,294,198 since 1814; within which period the Company have received a dividend at the rate of 3½ per cent. upon their capital actually employed in the joint concern of territory and trade.

For this dividend, and the patronage of the original appointment of writers, cadets, and assistant-surgeons, the East-India Company have administered, through their executive body the Court of Directors, the foreign and domestic affairs connected with the existing India system, subject, in matters of civil and military government and revenues, to the control of the Board of Commissioners.

We apprehend that the nature and extent of the duties arising out of this trust, far exceed any notion that may have been formed of them by a mere casual observer.

Supposed separation of trade and government.

If it shall be determined to separate the government from the trade, we can scarcely persuade ourselves that the East-India Company will be prepared, under every prudential consideration, to continue the political trust, at the risk of their capital and character, after it has been so clearly demonstrated in the course of the enquiry, that one million annually beyond the ordinary receipts must be secured in this

country, to enable them to discharge, under the most economical arrangement consistently with efficiency, the government of India.

Supposed separation of trade and government.

That sum is now derived, in a great measure, from the China trade. If that trade be laid open, the sum above-mentioned must be secured out of the public purse, or, as it appears to us, the Company must withdraw from the discharge of those duties which they now perform through the Court of Directors, and the country must be prepared to adjust those immense claims which, so long as the means are secured to the Company of acting politically without detriment to their commercial capital, are left in abeyance, and made subservient to the common benefit. We will suppose for a moment that the onerous task of administering the government of India, with all its various details, be thrown on his Majesty's ministers. We have seen how the business of the country was impeded, perhaps unavoidably, but nevertheless to a very serious degree, in the last session, from the multiplicity of matter brought under discussion : so much so, as to call forth a remark, that Parliament must sit throughout the greater part of the year to get through the whole of the questions, to the great injury of the public service: and we would ask those who are at all conversant with the vast and important details now discharged by the

Supposed separation of Trade and Government.

Court of Directors under Ministerial control, and subject to the minutest investigation, and open also to discussion in the General Court of Proprietors, with accounts laid periodically before Parliament, what would be the effect of this additional labour to the already too much occupied time of the House, embracing all the details of the India system, without, we confess, any apparent redeeming benefit accruing therefrom to the country!

Nor is the important question of the Public Revenue, so intimately interwoven with the existing system, to be entirely passed over. We remember the discussion on the Sugar question in the last session. The difficulties of the proposed graduated scale of duties were pointedly placed before the House, and other remarks were at the same time made, which proved that the framing a scheme, with which the public would be satisfied and the revenue at the same time secured, was a task of no easy accomplishment.

The duty on tea, as already stated, amounting to £3,808,392 annually, is paid by the Company to the Crown at a cost to the public of only £10,000 a year. This duty arises out of rates varying according to the several sorts of tea, which are very numerous.

If any one was allowed to trade in tea, which would necessarily be the case if such trade is

thrown open, we do not see how, or in what way, the revenue would be secured to anything like the present extent: and we have the evidence of Mr. Layton, an eminent tea-broker, that teas are mixed after the chests leave London, that a considerable adulteration takes place, "and that he could no more point out the por- "tion of the different qualities of mixed teas, "than he could tell, as to a pipe of wine, whe- "ther it was all of the right kind. He could "tell whether it was good if he tasted it."

Supposed separation of trade and government.

The Company's ships are under such perfect control, as to the safety of the cargo, and not breaking bulk on their voyage, that the tea arrives in the same state as when laden at Canton. It is brought into warehouses set apart for the purpose, and is immediately placed under the keys of His Majesty's customs, and is put up to sale in the same state and chests in which it was packed in China, and upon which the immense revenue is now drawn.

In the event of an open trade, what is to prevent a ship laden with teas of various qualities and prices, unshipping part or the whole of her cargo at any intermediate port, there mixing and repacking the tea, with the view of evading the higher duty, and thus defrauding Government to a very considerable amount: a circumstance extremely undesirable in the present falling off in our exciseable articles of revenue.

pposed paration of de and vernment.

We have thrown out these observations more as matter worthy the attention of His Majesty's Ministers than of the East-India Company, who would, in truth, have little reason to deplore the division of that capital, to which they have as indisputable a right, as any gentleman to his freehold, or merchant to his bale of goods, for which he has paid the price in the market. The East-India Company have also territorial acquisitions and rights yielding a large annual revenue in the respective Presidencies in India, wholly free and distinct from those to which the Crown lays claim, and which if retained by the Company might materially aid the commercial enterprizes they still prosecute, to the detriment of the private merchant.

We would ask, have the merchants engaged in the *India* trade, since it was opened, found it answer their expectations? Have they realized the prime cost of their exports, and have they been enabled to secure a profitable return? Have the Petitioners for a free trade with China, and the abolition of the Company's exclusive privilege in that of tea, made out any thing of a case, to induce the country to put to hazard the positive advantages derived under the present system, for the possible benefits expected to result from the adoption of untried experiments, and overdrawn pictures, of visionary theorists? We may confidently answer that they have not

made out their case, if such case be bottomed on the evidence brought forward by the advocates themselves for a free and open trade in tea.

Supposed separation of trade and government.

If, notwithstanding this failure of proof as to the wisdom and policy of such a measure, such a concession shall be determined upon, we predict, in the words of Mr. Davidson, whose evidence will be found in the preceding part of these pages, that the British trade at Canton would not last two seasons, without the most violent and serious interruption, Many individuals would be thereby ruined, and the country would be unable to reinstate their commercial intercourse with China without incurring a vast cost.

We have, in common with many who have devoted their time and attention to subjects connected with India, long felt, that the most formidable opponents the East-India Company have to contend with are, Ignorance and Misrepresentation.

Opponents o the East-Ind Company.

It is with unfeigned regret, that we number among them the learned and lately elected Member for Yorkshire. We have followed that learned gentleman through his political career, from his entrance into parliament as an appendage of the Whig Aristocracy. Were we to refer to the period of his becoming the adherent of

Mr. Brougha

Brougham. Mr. Canning, after he had charged that highly gifted man with having been guilty of the grossest political tergiversation, and to whose bold rebuke he silently submitted, rather than risk his character for discretion;—were we to animadvert upon the circumstance of the learned gentleman coming down to the house flushed with the hospitable cheer of one of his noble patrons, and declaiming in terms of the coarsest invective against his Majesty's Ministers and their supporters, and then silently permitting the Right Honourable Baronet to make that apology for him which he had neither the good taste or good feelings to offer for himself;—were we to allude to the call made upon the learned gentleman at the close of the late election, by his unsuccessful opponent, and the assurance with which he answered the call, that he had drunk so deep of Lethe's stream, as to have forgotten all that he had uttered on the hustings, we might incur the charge of having entered upon matter foreign to the subject upon which we had ventured to submit the foregoing considerations. But when we find the learned gentleman, on the day of his being proposed as a candidate for the honour since conferred upon him, attempting to support his pretensions to that honour by advancing statements wholly at variance with facts, and in a place where the parties whom he attacked had no opportunity of defending them-

selves, it is important that such a course of misrepresentation should be exposed. In order that the learned gentleman may not have the plea of ignorance, we insert the following extract from the Leeds Mercury of the 7th August, which gives at full length the speech made by Mr. Brougham on the 5th of that month. The Editor, who appears to be one of the ardent admirers of the learned gentleman, makes the following remarks in alluding to that speech:

" Yorkshire has discharged the debt due by Eng-
" land to this champion of right and liberty, this illus-
" trious friend of knowledge and humanity. Mr. Brough-
" am's speech on Thursday was splendid, and in some
" passages there was a power and grandeur which pro-
" duced the most thrilling effect on his audience."

" When I saw (said Mr. Brougham), in my visit
" to the West Riding, thousands of industrious and
" skilful men, and at the same time I saw ware-
" houses after warehouses filled with the produce
" of their industry and skill, could I but be in-
" dignant that the markets of the East were closed
" against them, whence might come so much wealth to
" them, and to which so much by them might be ex-
" ported; and when I asked myself for whose benefit it
" was that the industrious artizans of Leeds, and those
" of Huddersfield, who are receiving less than one-third
" of their ordinary wages, were excluded from markets
" of such promise, I first asked myself, is it for the
" benefit of the land-owners? for if it were, it would
" be some consolation that they were benefited by it.
" I then asked, is it for the other trades of the country?

Brough-
['s speech
his election.

" for it would be some satisfaction, that what the indus-
" trious classes of Yorkshire lost, others of our own
" countrymen gained. But nothing of the sort—it was
" to benefit four-and-twenty East-India Directors, the
" ready tools of every government, the obsequious voters
" in support of all administrations; men who are ready
" upon any given day, up to half past two o'clock in
" the morning, to vote with any government in favour
" of what they may deem the Constitution in Church
" and State,—men who will hark away down to hear
" a king's speech, expecting to bawl "No Popery"
" till their voices were cracked, and they themselves
" black in the face; and then, when to their astonish-
" ment, the King's speech calls out—an end to Proscrip-
" tion—Catholic Emancipation—Civil and Religious
" Liberty for ever—swift they wheel about with the
" same alacrity as they came to bawl forth their
" senseless cry of 'No Popery.' Yes, with the same
" voice, and with the same throats, and almost on
" the same day, they bawl lustily for that measure
" for which we have been placed under their anathemas
" ever since Lord Milton broke the chains of this
" county in the castle-yard twenty-one years ago.
" And if by chance any one of these twenty-four Direc-
" tors, following in the career—for as fine writing has
" been described as right words in right places, so right
" politics may be described as right votes in right
" places—if, I say, any one of these four-and-twenty
" gentlemen, after sitting for much borough, and voting
" for much job, and for building much palace, and for
" sending out much ambassador, and for triumphing
" over much liberty, should be found, not in the
" Commons House of Parliament, but among the

"Peers of the realm, the hereditary counsellors of the "crown."

Mr. Brougham and the manufacturers of Yorkshire.

We have given this extract unbroken, in order that our readers may see the bearing and tendency of the whole, and appreciate the good taste with which Mr. Brougham so unsparingly dealt out his denunciations against the members of the Court of Directors who had seats in Parliament.

Had the learned gentleman availed himself of the means within his reach, he would have found ample cause for that satisfaction which he states he should have derived from knowing that what the "industrious classes of Yorkshire lost, others "of our own countrymen had gained."

We will now put the learned gentleman's sincerity to the test. It appears that on the 9th March, Mr. Dixon, a foreign commission agent residing at Leeds, was examined before the Committee, for the purpose of shewing that the system under which the East-India Company bought cloths for exportation was objectionable in point of economy, and injurious to the manufacturers.

"Will you state in what mode the East-India Com-"pany make their purchases of cloth?—Always by "tender and contract.

"Do you consider that to be an advantageous mode "of dealing?—No, I do not. In consequence of the "objectionable clauses which are in those contracts, the "parties tendering for the cloth, in order to save them-

r. Brougham and the anufacturers Yorkshire.

"selves, must make an addition to the price, in order "to cover the rejections which they are subject to, and "other inconveniences and expenses which they are at.

"Is the decision of the overlooker of the Company "upon the goods which are sent up final, or is there "any appeal from it?—There is no appeal whatever "from it.

"In the rejection of their cloths you stated that the "overlooker's decision was final; is that decision often "made on trifling grounds?—I have understood that the "overlookers have strict orders to attend to the contract, "which states, in speaking of the fine cloths, that each "cloth must weigh thirty-two pounds, and that if it is "under that weight he has a power of rejecting it.

"Then, though the rejection must be according to "the strict letter of the contract, it still may be on "very vexatious grounds to the manufacturer?—Cer- "tainly.

"Is it the case to such a degree, that manufacturers "generally exhibit a decided preference for dealing with "any other customer rather than the East-India Com- "pany?—It is. A great many of the most extensive "manufacturers in Yorkshire will not enter into con- "tracts with the East-India Company, nor supply them "with cloth under those contracts.

"You consider this, then, to be a vexatious ground "of rejection on the part of the Company?—Certainly.

"Yet to this sort of rejection their overlookers are "tied down by their rules, and they can exercise no "discretion?—I believe not."

To this evidence of Mr. Dixon of Yorkshire, we shall oppose that of Mr. Walford.

"Are the conditions of contract imposed by the Com-

"pany so vexatious as to raise the price?—I never con-
"sidered them vexatious; I always considered them as
"necessary to preserve the quality of the goods they
"exported.

Mr. Brougham and the manufacturers.

"Did you ever experience any inconvenience from
"having cloths that you had furnished to the Company
"rejected?—I have had them rejected.

"Do they not often reject them for being a little
"lighter?—They do.

"Is not it very difficult to act up to the exact letter
"of the Company's contract in a large order?—Not
"at all.

"In cases where goods have been returned to you by
"the East-India Company, on what terms have you
"been able to part with them?—It depended entirely
"upon how inferior they were to the standard they
"ought to have been; it varies from five to ten per
"cent.; perhaps not more than ten per cent.

"Are the conditions imposed by the Company, upon
"a preparation of those goods under the contracts, such
"as to render the manufacture of them much more diffi-
"cult than for a private merchant?—I should think
"not; I have known one manufacturer have 10,000 long
"ells looked over or inspected, and not more than four
"or five pieces rejected.

"Was there any difference between the tenders you
"made to private merchants and those to the Company,
"in point of price?—There was no material difference.
"We would rather sell to the Company, and perhaps
"would sell cheaper to them than to private merchants,
"because we were more secure of our money; and be-
"cause at a private merchant's, where credit is given, I
"charge two and a half per cent. for a guarantee.

"Then the conditions imposed by the Company, you

r. Brougham and the anufacturers.

"conceive, have no effect in raising the price of the ma-
"nufactures?—I never heard them complained of, till
"within these four or five years.

"Have the Company been endeavouring to supply
"themselves from Yorkshire within your knowledge?—
"I have known them make two experiments in pur-
"chasing long ells in Yorkshire; one year they con-
"tracted for 20,000 pieces, and I believe, they did not
"find the contract completed."

We find this evidence of Mr. Walford corroborated by that of Mr. William Ireland, a partner in the respectable firm of William Ireland and Co., carrying on business in London and in Gloucestershire.

"What is the mode of supplying the East-India
"Company?—By contract.

"Is it under contract offered to your house only, or
"to the public?—To all the respectable manufacturers
"either in Yorkshire or Gloucestershire. I have a cir-
"cular which I received from the Company for a con-
"tract, inviting tenders from all the manufacturers.—
"[*The witness produced the same.*]

"Is it sent to all the respectable manufacturers?—I
"never knew it refused to any respectable manufacturer
"who made an application for it.

"How long have you been in the habit of supplying
"cloths to the Company?—Eleven years in my own
"firm: but I was seven years with Messrs. Fryer and
"Telford.

"In this circular are there any clauses more or less
"objectionable in your opinion?—I do not apprehend
"there are; at least I have not had any complaint from
"my connections respecting the clauses.

Mr. Brougham and the manufacturer.

" Particularly with reference to the 3d, 5th, 7th, 8th, " and 11th; do you apprehend they are essential to pro- " tect the Company from being imposed upon, and put " to great inconvenience?—I think they are; the third " clause respects the weight and length of the cloth.

" All of which is ascertained by overlookers appointed " by the Company?—It is.

" Do you consider that they are judges of cloth?—I " consider them very good judges of cloth.

" Do they ever reject without proper cause, in your " opinion?—I think there is frequently cause for a great " many more rejections than there are.

" In the event of a trifling difference in quality being " found, is it the practice of the Company to take it, " giving the turn to the manufacturer?—It has been " the practice with me and my connexions.

" In the event of any cloths being rejected by the " Company, how have you disposed of them?—I think " the first serious objections were in 1819 and 1820; " they were Spanish stripes; and I disposed of them to " Mr. Henry Hughes, who afterwards disposed of them " to Mr. Everett for shipping through the Americans to " China.

" Were they inferior in quality?—They were inferior " in quality; and we sold them at a considerable loss.

" At what loss?—The contract price of the Com- " pany at that time was £13. 15*s.* per piece; and I " sold the rejected cloths to Mr. Everett and Mr. " Hughes at that period at £11. 14*s.*, which was " £2. 1*s.* per piece loss upon them.

" Is not the mode of payment by the Company in " ready money at a certain time after delivery?—We " consider the Company's payment preferable to any

Brougham and the manufacturers.

"other, because we can calculate to an hour on getting "the money, provided we fulfil our part of the contract.

"Do you find that those contracts in any way give "you more trouble in selling to the Company than in "selling to individuals?—I do not; in fact, I had a very "recent instance to the contrary, by the last fleet that "went out to China; I had a great deal more difficulty "in supplying 200 ends of cloth to an individual that "shipped them for one of the captains, than I ever "had with the Company.

"Do you know whether the Company have increased "or decreased their orders of late?—When I first com-"menced the business in 1819, the Company shipped "7,000 pieces, which is 14,000 ends; they used to buy "them at that period in whole cloths, now they buy "them in ends; they have increased their purchase of "Spanish striped cloths to 24,000 ends; they first "increased about the year 1824 to 10,000 pieces, and "since that period they have increased to 12,000 pieces. "There was also an increase of the supers at that period; "there were 2,000 pieces of supers contracted for; there "are now 3,000 contracted for, which go to China.

"All those articles have been supplied from Glouces-"tershire?—The greater part of those articles were "supplied from Gloucestershire; some few from the "Yorkshire manufactories, but very few.

"Have you found the Company arbitrary in their "dealings with you?—I have had no reason to complain "of the Company. I find them just in their dealings; "and I am satisfied that if we had not the restrictions in "the circulars we have, the Company would be very "much imposed upon.

"What restrictions do you mean?—I mean with "respect to weight and length.

"Is it your opinion, that the Company buy under an "open competition at the lowest possible price?—I am "satisfied of it. I have been cut out of supplying "many hundred pieces of 34 yards, by 1*d.* or 2*d.* per "piece of cloth."

Mr. Brougham and the manufacturers

We think this evidence is conclusive against the complaints preferred by Mr. Dixon, as to the mode of purchasing, and restrictions imposed by the East-India Company on the weight and goodness of the article.

The next point is that of dyeing the cloths; and here we perceive that the Gloucestershire manufacturers are able to surpass those of Yorkshire.

"Do you know whether they can dye as cheap in "Gloucestershire as they can in Yorkshire?—I think "quite as cheap, because the Yorkshire people com-"peted with us, and we have beaten them out of the "market. The last contract they did not get a single "yard of it; and one of the principal Yorkshire con-"tractors, whom I met this morning, told me that he "should not compete at all the next contract.

"Will you look at the statement given by Mr. Dixon, "of the Yorkshire prices, and make any observations "which occur to you respecting it?—In the first place, "I observe that the first colour mentioned here is higher "by 9*s.* a piece than the Gloucestershire price. For "the black also; we pay 6*s.* a piece for dyeing blacks, "and I see the Yorkshire price is 11*s.* 4*d.*

"Are you aware of the fact that the woollen trade is "to a certain degree leaving Gloucestershire, and going "to Yorkshire?—Some of the fine trade is, but a portion

r. Brougham and the anufacturers.

"of it has come back again. With respect to the "scarlet, the Gloucestershire price is 37s., and I find "that the Yorkshire price is 48s. 2d.

"Will you prepare a statement of the Gloucestershire "prices of dyeing, for the information of the Committee, "similar to that furnished by Mr. Dixon of the Yorkshire "prices ?—I will."

From the statement which was given in, it appears that the cost of dyeing one hundred Spanish striped cloths in Gloucestershire was £139, whilst in Yorkshire the cost was £157. 16*s*. 2*d*, making a difference, in point of economy, in favor of Gloucestershire of £18. 16*s*. 2*d*.

We trust that sufficient cause has been afforded to the learned gentleman, to yield him that satisfaction which he declared he should experience from finding that "other of our "industrious countrymen had gained, although "those of Yorkshire should have lost."

That satisfaction, we hope, will be increased by the following additional evidence of Mr. Ireland.

"Has not this increase of the Company's exports "been very beneficial to the labouring classes and the "manufacturers?—I can only speak as to my own "district. Had it not been for the Company's trade "last winter, I am perfectly satisfied that some hundreds "of our people must have starved, for the poor's-rate "would not have supported them at all. I am speak- "ing of the parish of Bisley.

How little the learned gentleman really knew of the facts connected with the subject upon which he declaimed with so much confidence and assurance!

Mr. Brougham and the manufacturers.

We predict that experience will satisfy the manufacturers of Yorkshire that they have derived greater benefit from the East-India Company than they will ever experience from the declamatory harangues of their new representative.

The next point in the learned gentleman's speech is that in which he states the exclusion of the manufactures of Yorkshire was "to "benefit the four-and-twenty Directors, the "ready tools of every government—"

Mr Brougham's charges against the Directors.

We put it to the learned gentleman, whether with all his ingenuity (and it is no small portion that he possesses) he can shew that the Directors of the East-India Company, either individually or collectively, derived, or could derive, the smallest benefit by rejecting the work of the incompetent or extravagant manufacturers of Yorkshire, in order to accept the more moderate and equally good, if not superior, manufactures of Gloucestershire?

If it be meant by the learned gentleman that the trade of the East is generally shut against the manufacturers of Yorkshire to benefit the Directors, we then tell him that it is no such

[Mr. Brougham's charges against the Directors.]

thing. The whole of India is open to them; and if China is still partially closed, it is because the Chinese do not see fit to suffer themselves to be inundated with the manufactures of England to the detriment of their own, as is the case with the poor natives of India; which, as has been justly observed, is the worst used country on earth, as respects the prohibitory duties levied upon the importation of her native produce into the ports of the united kingdom.

If the learned gentleman alludes to the patronage of the Directors, we will tell him that they are as much entitled to that only reward for their labour and services, as the learned gentleman is to the fee which he receives for the legal advice and opinion he may bestow upon the cause of his client.

As to the Directors voting for, and being the ready tools of every government, has the learned gentleman forgotten the memorable chastisement which his Whig predecessor, Mr. Fox, received in the rejection of his celebrated India Bill, on which occasion the Directors came forward, and opposed by every means in their power the Minister and his measure, which had for its object the despoiling the Company of their rights and privileges? If the Directors have not opposed as a body any subsequent Minister, it may most probably be attributed to the circum-

stance of the country having been spared the infliction of a Whig Administration.

Mr. Brougham's charges against the Directors.

With regard to the Catholic Question, so far from the twenty-four Directors having, to use the learned gentleman's elegant phrase, "harked "away and bawled 'no popery!' at the bid-"ding of the Minister," only nine out of the twenty-four Directors were members; and of those, five voted, as they always had voted, against the claims of the Catholics, whilst the four supported the concession, as they had done, with only one exception, on every previous debate upon the subject. So much for the accuracy of the learned gentleman's statement on the three points in his speech!

We next come to the charge brought against the Directors, of sitting for Much-borough, voting for Much-embassy, &c. Out of the nine members who sat in the last Parliament, only one represented what might be termed a close-borough, the other gentlemen sitting either for counties or open-boroughs.

Was it for the learned gentleman, who from his first entrance into Parliament to the period when he uttered the speech to which we now advert, was the political dependant of a noble patron, for one of whose "Much-borough" he sat from Parliament to Parliament, to taunt the Directors of the East-India Company with sitting for Much-borough. Was it for that

Mr. Brougham's charges against the Directors.

learned gentleman to charge the Directors with having voted for " Much-ambassador," when he himself had become the obsequious abettor of Mr. Canning, who had been so notable a part and portion of this " Much-ambassador" to the court of Lisbon, in support of which memorable mission we find the name of Lord Milton, the learned gentleman's predecessor in representing Yorkshire, and whose conduct he so highly eulogized in the speech upon which we are now remarking? And in order to complete the picture which his imagination had sketched, the learned gentleman elevates the Director to the peerage in reward for the base and servile part he had hitherto acted.

We ask him to point out one Director who has had that honour conferred upon him, throughout the existence of the present United Company.

The learned gentleman appears to have uttered, without the shadow of foundation or authority, a series of charges and imputations against a set of gentlemen, who we undertake to assert are as honourable in point of character, and as independent in point of principle,—we will not say as the learned member himself, for it would be no complimentary comparison,—but as any gentleman who has the honour of a seat in the Legislature.

The following passage from a popular author,

in allusion to some speeches in parliament, is so much in point with reference to the proceedings we have been noticing, that we cannot refrain from quoting it: "When I observe "what passes for wit and what for wisdom, "what fallacies pass undetected, what absur-"dities are advanced, and listened to and "applauded, what confident mistatements are "hazarded in the fearlessness of ignorance "and dupery, what falsehoods are asserted in "the hardihood of design, I cannot but think "there is no place in which a demagogue well "armed with impudence, would feel more "conscious of the strength which audacity "supplies, nor where he could be so mis-"chievous and dangerous."

It would be well were the speeches of such demagogues confined to the House of Commons. We might hope that the house would impose its authority to check a repetition of such mischievous harangues, or at least to neutralize their effects, which it is impossible to do when addressed to the heated imagination of an electioneering multitude.

The learned gentleman, not content with attacking at the election the Directors of the East-India Company, in which attack he has so lamentably failed, attempted to fasten upon the Duke of Wellington the imputation of having counte-

nanced the proceedings of the late French Ministry, which led to the abdication of the bigotted but unfortunate monarch Charles the Tenth. The learned gentleman's new constituents did not respond to this unworthy attack, and we rejoice at it. We know his leviathan powers; we are aware that he leaves no strain of oratory untouched, however wild, which is calculated to impress the people with the belief that he and his associates are alone capable of steering the helm of the state, and carrying the country through the difficulties which the gathering storm in foreign Europe we fear portends.

The learned gentleman has told his friends in Yorkshire, that he has but a small property amongst them, and little any where. We are not disposed to place an undue reliance upon the pretensions which mere wealth, irrespective of other qualifications, gives to public confidence or respect; but where its possession is accompanied by unparalleled service to the state, by a devotion to the interest and welfare of the country, at the sacrifice of all personal ease, after a life of the most arduous and unceasing activity, the most irresistible claims are presented to public gratitude and support; and the country can repose with confidence on the well-intentioned efforts of such

a man, fully assured that he has every tie by which the human heart can be actuated, to pursue with singleness of purpose the welfare and happiness of his fellow citizens, whose interests and prosperity, as well as the honour of his country, he feels to be identified with, and inseparable from his own.

We have such a Minister in the Duke of Wellington; and we trust that the learned gentleman will find his attempt to pluck from his Grace's brows the laurels which he has so nobly won, for the purpose of casting them at the feet of the "schoolmaster now abroad," to be vain and futile. We suggest to Mr. Brougham that he had better rest contented with continuing to be the laudatory usher of so enlightened a preceptor.

We know not what the opinion of the Duke of Wellington, or that of the rest of His Majesty's Ministers, may be on the India Question. Much as we are interested in its settlement (not for the paltry consideration of whether the dividend is to be £5 or £5. 10*s*. per cent., but because we believe the welfare of millions depends upon it), we feel that our first and paramount duty is to our country at home; and we have adverted to this sentiment in connexion with the question of India, because the same spirit which would annihilate, upon such un-

founded and perverted statements, the East-India Company, is at work, and would equally level all distinctions in society, sanctioned, as we are prepared to shew such distinctions are, by the highest of all authority; and would also destroy our happily constructed constitution, for the purpose of raising upon its ruins a system more in accordance with the liberalism of the day, and with that of "a man" whose ears cannot brook the sound of "my Lord," as applied to the hereditary legislators of our highly privileged, and we trust still happy land. We hope that we are not fast approaching the last step in the progress of nations, which having been established by the sword, have subsequently enjoyed the blessing of good laws and rational freedom, but insensible to those advantages, have at last become the victim of popular opinion and revolutionary principles.

It is a just observation, "that the more loudly "that opinion is expresed, with the more rea- "son it ought to be always distrusted; the "more powerful it becomes, the more easily "it is misled, and the more its predominance "and its tyranny are to be dreaded."

LONDON
PRINTED BY J. L. COX, GREAT QUEEN STREET.

LETTERS

ON THE

EAST INDIA QUESTION.

LETTER I.

A SERIES OF LETTERS ON THE EAST INDIA QUESTION.

ADDRESSED TO THE

MEMBERS OF THE TWO HOUSES OF PARLIAMENT.

By HENRY ELLIS,

THIRD COMMISSIONER OF THE LAST EMBASSY TO CHINA.

LETTER I.

LONDON:

JOHN MURRAY, ALBEMARLE-STREET.

MDCCCXXX.

LONDON:
Printed by W. Clowes,
Stamford-Street.

EAST INDIA CHARTER,

&c. &c.

When an individual, not called upon from his official or parliamentary situation, to publish his opinions, ventures to address the Members of the two Houses of Parliament on a subject of such importance as the Charter of the East India Company, some preliminary explanation and apology are necessary to diminish the prejudice likely to be produced by such apparent presumption. My chief excuse is, that my mind has been more or less directed to the subject of Indian affairs for more than twenty years. I was for six years in the civil service of the East India Company; at the Bengal Presidency, I held the situation of Private Secretary to the President of the Board of Control, when the acts regulating the territorial government and trade of the East India Company, under the present Charter, were discussed and passed, in the years 1812, 1813, and 1814; and I was third Com-

missioner of the Embassy to China under Lord Amherst. Opportunity has thus been afforded me of observing the practical effects of the system by which the government and trade of India, and the intercourse between Great Britain and China are conducted. I may, perhaps, add, that as I have served under the separate authorities, namely, the Board of Control and the East India Company, to whom the administration of Indian affairs is intrusted, I may claim to myself the probable absence of prejudice in approaching the present discussion. The petitions presented to Parliament during the last session from the great commercial and manufacturing towns and districts having called the attention of the Members of both Houses, more especially, to the laws affecting the trade and intercourse with India and China, I purpose, in this first Letter, to point out the intimate connexion of the commercial character of the East India Company with the general system of Indian government; reserving to another Letter the views which I entertain of the adequateness of the present system, to combine the welfare of the people of India with the maintenance of British authority over them.

While I avow myself convinced of the expe-

diency of governing the British empire in India through the instrumentality of the East India Company, I am not prepared to agree with some writers, in considering the administration of that empire directly by the Crown, as an alternative fatal to the connexion subsisting between Great Britain and India; on the contrary, I conceive that means might be found to adapt the system of internal administration actually established in India, to a change, or rather modification, in the governing authority at home. But, while I entertain this opinion, I am deeply sensible of the happy, though anomalous and fortuitous *combination* of authorities, by which the present system of governing India is administered; and I honestly confess, in the face of all the obloquy which the use of so homely a maxim may draw upon me, that I am disposed in this, as in other matters of politics, to let well alone. This principle of action will not, however, push me to the extent of hesitating to admit the necessity of reforms in the existing administration, as well in India as at home; still less am I disposed to treat with indifference the arguments and claims of those who call for the extinction of the monopoly possessed by the East India Company, under

their present charter, of the China trade. If the extinction of this monopoly was strongly pressed by the mercantile classes of the community in 1813, when the charter was last renewed, it is surely to be expected that the demand, for free competition in the market of China, will be preferred at the present time, not only with greater importunity, but with greatly increased chance of success, from the universal tendency of public opinion to liberate trade, whether internal or external, from legislative prohibition. The opponents of the East India Company, or, it will perhaps suit better with impartiality to say, the petitioners against the continuance of exclusive privileges, certainly derive some advantage by being enabled to allege that the East India Company were as much opposed, in 1813, to the free admission of the merchants of Great Britain to the markets of British India, as they now are to that of China; that their denunciations of the hopelessness of mercantile success, and their declarations of the absence of further demand for British manufactures among the natives of India, as well as of the competency of the East India Company fully to supply the market, were made at that time, with a confidence which the result

has completely disproved. Similar denunciations and declarations are now preferred respecting the China trade, and the inference, not unnaturally pressed, is, that both have no other foundation, but the despair and disappointment with which monopolists cling to privileges less profitable to themselves, than injurious to the community. The vast extension of the export trade to India, an increase in the article of cotton goods alone of 3832 per cent. since the relaxation of the Company's exclusive privileges in 1813, undoubtedly proves that the Court of Directors at that time either allowed their jealousy as merchants to mislead their judgment, or that, as administrators of a great empire, they were unacquainted with the condition and wants of the population. If the latter were the case, their error was excused by the consentient declarations and support of persons, who, from residence in India, intercourse with the natives, and individual ability, were not only best qualified to advise the Court of Directors on such an occasion, but to whom they were almost bound to apply for counsel and information. In comparing, however, the general admission of the merchants of Great Britain to the Indian trade, granted in 1813, with that to China

which is now sought, there are, amongst others, these material points of difference :—first, that the exclusion of British subjects from intercourse with territories virtually belonging to the crown, was in itself an anomaly, and, unless called for by imperious necessity,—a deprivation of positive right; and, secondly, that being once determined on the abolition of such extraordinary privileges, the legislature, and the authority effecting the abolition, possessed ample means and power to secure the full execution of the system, under which the trade with India was thenceforth to be conducted. The object of the legislature in 1813, on the renewal of the present charter, was to combine an opening of the trade to India, with the prevention of those dangers to internal tranquillity, which were so emphatically denounced, as likely to arise from the unrestricted resort of Europeans, in pursuit, or under pretext, of mercantile business, to that country; for this purpose, the tonnage of vessels engaging in the trade was restricted to the burthen of three hundred and fifty tons, a license was required, and such vessels were, in the first instance, compelled to touch at a principal port, unless a special license had been obtained to proceed direct to

a minor port. Other restrictive regulations as to persons were continued and imposed. A power was, however, reserved to the legislature by the 20th clause of the act of 1813, of authorizing further extension to the private trade during the term of years granted to the East India Company. This authority has not been suffered to lie dormant. In 1814, by an act entitled the 'Circuitous Trade Act,' trade was permitted in ships navigated according to law, to, and at all places, between the United Kingdom and the limits of the Company's charter, situated in North and South America, (except his Majesty's colonies and possessions,) and to, and at Madeira, the Canaries, the Cape de Verd islands, St. Helena, and the Cape of Good Hope. In 1817, the trade direct from Malta and Gibraltar to all the places above-named was permitted without restriction as to the tonnage of the vessels engaged in this particular trade. In 1819, American vessels were permitted to clear out from the United Kingdom to India. In 1821, the Company and others were allowed to trade to and from any intermediate places between Great Britain and the limits of the Company's charter, and to discharge the whole or any part of their cargoes, and to take on

board other goods, &c. A trade was likewise permitted, directly or circuitously, between all places within the Company's limits and countries in amity with his Majesty; the trade in tea alone excepted. Experience having shown that the increased resort of Europeans to India, for purposes of commerce, had not been attended with the dangers that had been anticipated, and that no other restriction could be necessary in respect to persons, beyond that of taking out the usual license for proceeding to India and residing there, by an act passed in 1823, vessels were admitted to trade with India without any limitation as to tonnage, and a license was no longer required for ships proceeding, in the first instance, to one of the principal settlements, whether from the United Kingdom or the Mediterranean. A penalty is, by this act, still imposed on commanders of vessels, who shall carry out unlicensed persons to India, and the restrictions, as to the resort of persons to India, remain in full force. From this recapitulation it appears, that the authority given to parliament by the 20th clause of the act of 1813, has been exerted to the extent of liberating the export trade to India from all restrictions arising out of the privileges of the East

India Company, with the exception of the unlicensed resort and residence of Europeans. It must be admitted, that this latter class of restrictions place the European born subjects of the crown of Great Britain, to a certain degree, in the situation of aliens, within territories belonging to the British realm; and a strong case of state necessity must be established to justify their continuance. These restrictions were originally imposed by commercial jealousy, but their continuance has been sanctioned by the legislature from political considerations.

Although I feel myself quite free from any disposition to treat India as a country to which the received principles of legislation and general polity are inapplicable, I cannot be insensible to the peculiarity of our rule in that country, and I must, however reluctantly, admit that the description of Warren Hastings is still applicable to our tenure there: 'Our empire in India,' says that great statesman, 'hangs by so frail a thread, that the touch of chance may break it, or the breath of opinion may dissolve it.' Habit and occupation have familiarised our mind to the disproportionate physical means by which that vast empire is held connected with Great Britain; but

the facts still remain, that the proportion which the natives bear to the Europeans, is as one to two thousand; that our native soldiery are to the European troops as six to one; and therefore that any general feeling of discontent or sedition must, if called into action, be final and fatal. Under such circumstances, the executive government must, for purposes purely conservative, be armed with power to remove all persons whose conduct or language may display even a disposition to appeal to the natives of India, against the acts of a foreign government possessing no right, but that of conquest, to their obedience. The difference between the laws of England and those by which India is governed, makes that dangerous in India which would not be so in England; and surely removal from the country in which an offence calculated to bring the very existence of the ruling authority into danger may have been committed, is the most lenient punishment that can satisfy either the necessity of the case, or the safety of the state. I have adverted to this point at present, chiefly in reference to the effect which the restrictions as to the resort and residence of Europeans are supposed to have upon the mercantile intercourse

between Great Britain and India. It is not to be denied, that any such restrictions, however leniently enforced, or liberally construed, have a tendency to prevent individuals from employing their personal industry and capital in a country or trade in which they prevail; the removal, therefore, of these restrictions in regard to India, is naturally sought by the merchants and manufacturers of Great Britain from parliament, as one of the conditions upon which the administration of the territorial government should be continued to the East India Company. This demand is pressed with more urgency from the ready credence given to the unjust description of the temper in which the powers, possessed by the local governments in India, are exercised towards Europeans establishing themselves for commercial purposes in the Company's provinces. There is, however, no reason to believe that any obstacle is really opposed by the local authorities, to the establishment or continuance of English merchants and planters in the country districts; and, in fact, the cultivation of indigo by individuals, averaging an annual value, according to the declaration of the merchants of Calcutta, of three millions, practically refutes the accu-

sation. It has been further maintained, that the regulation which restricts Europeans from becoming owners of land within the Company's provinces prevents the investment of capital in the growth of sugar, coffee, tobacco, and other articles, the profits from which would not be as certain as from indigo, while the cultivation of them requires a longer occupation of the soil. Whatever force may have belonged to this allegation, and I believe the complaint to have been one rather of feeling than fact, that has been practically weakened, if not removed, by the late relaxation of the local law ; inasmuch as British subjects are now permitted to hold lands in their own names on lease for twenty years. I have, however, always felt that the difficulty of successfully competing with the superior quality of the produce of other countries, together with the difference in the rate of duty still imposed upon corresponding articles imported from the West India colonies, are the real causes that the attention of the British merchants resident in India has not been actively directed to the production of these staple articles of tropical commerce. Every circumstance, however, connected with the increase in the

exports from India, derives an immediate and practical importance as bearing upon that great difficulty in the administration of our Indian empire—the remittance of revenue to meet the expenditure in England on account of the territory: this charge amounts to three millions annually, and the remittance must be made under every vicissitude of the commercial intercourse between Great Britain and India. The union of the characters of Sovereign and Merchant, natural and necessary while the possessions of the East India Company were limited to fortified factories, or to lands held in farm from native princes, and when the commanders of merchant vessels were, on arrival, members of the executive council, has long become offensive to public opinion, and is in itself objectionable. Yet to impose a positive prohibition upon the United Company of Merchants trading to the East Indies, to traffic in the produce of India, appears an absolute contradiction in terms, and to be, *primâ facie*, an untenable proposition. Hitherto no attempt has been made by the legislature to press such a prohibition; but as, in the discussions both in and out of parliament which preceded the renewal of the charter in 1813, it was maintained, that the

revenues of the territorial possessions of the East India Company had been most lavishly applied, to supply the losses produced by the mismanagement of their commercial affairs, the Company were required, by the 64th section of the 53d of the late king, to keep distinct accounts of their territorial, political, and commercial affairs ; and, as accounts so prepared have been annually submitted to parliament, any undue appropriation of territorial revenue to the commercial branch must have been at once detected, and would doubtless have been resisted by the Board of Control. The East India accounts annually submitted to Parliament exhibit a payment from the 1st of May 1814, to the 1st of May 1829, of territorial debt to the amount of 4,923,020*l*. from the surplus of commercial profits. Into the items of this account I will not now enter, but proceed to examine the effect of the commerce of the East India Company upon the interests of India generally, and more especially upon the administration of that empire by an authority resident in Europe. It is difficult to conceive, whether we look to general principles, or to such experience as the infrequency of the practice furnishes, that any

branch of trade can be conducted by the sovereign of a country with as much mercantile advantage as by individuals: nay, further, it must be admitted that the sovereign, by engaging directly in the commerce of his dominions, displaces the industry of his subjects; and, therefore, although he might derive a profit as a merchant, no profit, likely to arise from such an employment of a portion of his revenue, would make up the loss which he must sustain from the diminution of the aggregate prosperity of his people.

The present pasha of Egypt is the most complete, if not, indeed, the most successful instance of a sovereign merchant; and his Highness, being the only capitalist in his pashalik, might, perhaps, dispense with the tyrannical appropriation of the staple exports of the soil. The East India Company have, however, neither the power, the means, nor the inclination, to exclude the merchants of Great Britain from employing their capital in the trade from India to Europe. It is but fair to say that in India the character of merchant has completely merged in that of sovereign; and wherever, as in opium and salt, a monopoly of the sale of the article is maintained, the object

is territorial revenue, and not commercial profit. There is, however, no mode by which the commercial affairs of the East India Company can be conducted in India, which shall be free from the general objection of the sovereign interfering with the natural employment of the capital and industry of the people; and the burden of proof unquestionably lies with those who uphold the continuance of the present system. The reason assigned is, that the indispensable remittance of the territorial revenue to England cannot be effected, through any other channel, without such a sacrifice as must operate most injuriously upon the finances of India. It is obvious that the repeated remittance in bullion of this portion of the revenue to England is impossible; no substitute could be found in India for a metallic currency; and the quantity of the precious metals in circulation and use there is barely adequate to the wants of the people, the state of public and private credit, and the geographical extent of the empire. Produce is, therefore, the only source left; and if the commerce between India and Great Britain, as conducted by the merchants generally, will not absorb the whole of the remittance required, the local government must be driven to

the necessity of becoming a dealer in produce to the extent of the deficiency. The value of the remittances from India may be taken at eight millions annually. Of this sum three millions are on account of the government,* one million is the estimated amount of remittances of individuals in the Company's service, either as accumulation of their private fortunes, or in monies supplied to their families in England; and the remaining four millions are the returns of the private trade.

From this view it appears that circumstances, peculiar to the political connexion between Great Britain and India, compel a remittance from India equal to the whole of the return trade, as conducted by the merchants generally. The expenditure in England on account of the territory is applied to discharge the interest of loans contracted in India, half-pay and pensions, expense of the King's troops serving in India, military and marine stores, and other political charges. (See Account in Appendix No. I.) These several heads of expenditure, with the exception of the supply of stores, arise from the

* These remittances are taken at one million, on the authority of persons conversant with the subject; but there are no published accounts by which the accuracy of the estimate can be determined.

political connexion subsisting between Great Britain and India, and may be considered as fixed charges, which must require remittances, whether the government of the latter country were administered by the Crown or the East India Company. In regard to the article of military stores, it may be said, that the supply could be effected through the general course of trade, provided such articles were found more profitable as exports than other commodities, or possibly they might be obtained in India itself. Attempts have been made to effect the latter object; but the local scarcity of materials, and the augmented charge of manufacture, have led to an abandonment of them. Let us examine the mode of supply through private merchants. The regular provision of military stores is an object, so obviously one of state necessity, that it could not be left to the vicissitudes of private trade; and therefore we may fairly conclude, that, under all circumstances, the transaction must be carried on, directly, between the authorities in England and in India. The interest on Indian loans, the half-pay and pensions payable in England, belong to the political connexion between Great Britain and India; and there can be no change contemplated, which could, without a

breach of public faith, transfer the payment to India. The employment of European gentlemen in the civil and military service of India may be reduced, but the remittance on account of accumulation of private fortunes must be continued to the extent of the numbers employed; and this head of charge upon India may therefore be considered permanent in character, though not fixed in amount. My readers will, I trust, agree with me in thinking that enough has been said to induce a belief, that the indispensable remittance to England, on account of the territorial expenditure of India, so affects the state of the trade between the two countries, as to render the direct participation of the Indian government in it, almost an inevitable consequence of the common authority by which they are governed. It has been suggested, that the local governments in India should, instead of engaging directly in trade, make advances to merchants on the security of consignments of produce to England; and, no doubt, as far as the obtaining a complete lien over the goods, until the bills drawn on account of the advances should be realized, there could be no difficulty in the arrangement; but it is obvious that the total value of these consignments would be

regulated by the profits on the trade generally, and would have no reference to the political necessities of the Indian Government, which determines the actual amount of the territorial remittance. While the administration at home of Indian affairs is in the hands of a body not only in name, but in reality, commercial, accounts of this nature with private merchants would fall in with the course of mercantile business; but that such transactions should be placed under the superintendence of the Treasury, or Board of Trade, would be, if not an impracticable, at least a very anomalous proceeding. The present rate of exchange between India and Great Britain—that of 1*s*. 10½*d*. the rupee—(the intrinsic value of the coin being 2*s*.,) has fallen so much below the rate that existed for many years, which may be taken at 2*s*. 6*d*., that the burthen of home expenditure presses with increased severity upon the territorial finances, inasmuch as three millions sterling, which required in 1813 a remittance of two crores and forty lacs of rupees, cannot now be remitted with less than three crores and fifty lacs.* The remittance by produce has in

* In fact, the necessity of the remittance of territorial revenue, in produce, by the local governments, is in an inverse ratio to the pro-

general been found to involve a less sacrifice on the side of India than that which would have followed remittance by bills. Assuming that consignments in goods, sufficient to cover the remittance from India to England, are not effected through the channel of private trade, the fair inference is, that as much capital has been already directed to this particular branch as will bring a remunerating return, and that the remittance by the government on account of territory, although inevitable, must have the effect of forcing further consignments from India, in excess of the natural balance of trade. If the territories possessed by Great Britain in India belonged to an independent government, that government would have (always supposing that the staples are not produced, or cannot be worked up as cheaply in India) to supply itself with military stores from Europe or elsewhere, for which payment would be made through the foreign trade ; but the other heads of the home expenditure and remittance—namely, remittance for interest on the public debt, for half-pay and pensions, and for the accumulation

fits on the export trade from India to England ; when those are high, there can be no difficulty in remitting by bills, and remittance by produce becomes less imperative.

of private fortunes, would be struck out of the account; and as probably an independent government would deal on equal terms with all the world, the exports and imports would find the level of commercial reciprocity.

The view which I have taken of the trade between Great Britain and India, as connected with the political government of the latter country, may seem to some much too confined for the magnitude of the subject; and, indeed, had I allowed myself to be seduced by the infinite series of commercial advantages which the author of the Essay on Free Trade and Colonization, and others, anticipate from the extinction of the Company's authority, I should not have dwelt so long upon the point of remittance from India; but as I feel assured that therein lies the real difficulty of the connexion between England and India, my attention has been specially directed to it; and I have as yet looked in vain amongst the opponents of the East India Company, for the suggestion of any measure which shall be satisfactory in itself, or free from the objections attaching to the present system.

I will now proceed to examine the controversy respecting the expediency of continuing to the

East India Company the exclusive privileges which they now possess in the China trade and the monopoly of tea; and it shall be my object rather to put the question fairly before my readers, by examining the conflicting arguments on this important subject, than to pronounce any decided opinion, in anticipation of the additional information that will be elicited by the inquiries in parliament, which must precede any legislative measure respecting the renewal or termination of the East India Charter.

The following passage is found in Mr. Auber's very useful and well-digested work, The Analysis of the Laws and Constitutions of the East India Company; and I quote it as containing, in few words, an historical sketch of the rise and progress of the East India Company's commercial intercourse with China:—

"In 1637 some of the Company's ships anchored off Macao, a rocky island at the entrance of the Canton river, on which the Portuguese had been allowed, in the year 1520, to establish themselves, on condition of their expelling the robbers who then inhabited it. The English expected to receive every assistance and encouragement, but were disappointed, and accordingly proceeded

up the river towards Canton, to open at once a direct trade with the Chinese. Through the duplicity of the natives they were obliged to abandon the project, and were moreover declared to be enemies of the Celestial Empire. It was not until 1683 that any further endeavours were made to prosecute the trade. In that year two of the Company's ships arrived off Macao; and in 1701 three more ships were despatched for Canton, at which port permission had been granted to British subjects to carry on commercial traffic."

Mr. Auber, in the next page, thus describes the actual condition of the Company's establishment in China:—

"It is nevertheless a fact, that the Company have no footing whatever in China coming under the denomination of permanent. Their intercourse with the merchants of that extensive empire is very limited, being exclusively confined to a small factory in the vicinity of Canton, occupied by the sufferance of the court of Pekin, under strict regulations, specifying the parties with whom, and the manner in which the trade is to be conducted. The factory is merely the place of occasional residence, which the members quit

at the close of the season. The Chinese merchants, with whom the Company's agents transact business, are termed Hong merchants, expressly licensed by the Chinese government to have dealings with them. The designation of the official agents of the Company is that of Supra-cargoes: they are united in one commission, and the four senior generally are termed the president and select committee, who are assisted in transacting the business of the factory by the remainder, and by writers; the whole being under special covenants for the performance of the duties committed to them respectively. The business of the season being finished, and the ships laden and despatched on their return to England, the Supra-cargoes return from the factory to the island of Macao, where they continue till the opening of the ensuing season, the commencement and close of which are not distinctly defined, being affected by various contingencies, but its close may be fixed about the month of April."

The second section of the act of George IV., cap. 52, which consolidates the several laws regulating the trade within the limits of the Company's Charter, expressly reserves the trade with China, and in tea, to the Company; and all

the restrictions and penalties imposed by former acts on British subjects, engaging, or attempting to engage, in this exclusive trade, are repeated and renewed. The situation of the merchants of England, in respect of the trade with China, remains therefore precisely the same as in 1813. Nor has the question itself, of the Company's monopoly, undergone any change in reality, although the maintenance of that monopoly has become more difficult, from the general diffusion of the principles of unrestricted commerce amongst the statesmen, and public men of the country. The question, divested of exaggerated terms, appears to me, one of expediency,—that is to say, In what manner can the trade with China be carried on with most advantage to the English nation? and, Are there any circumstances in that trade which take it out of the ordinary course of commercial transactions, and render especial regulations necessary? The most obvious answer to the first part of this interrogatory is to leave the China trade to the unrestricted application of the capital, enterprise, and industry of individuals; and doubtless there are many, besides the self-interested opponents of the East India Company, who will consider an examina-

tion of the second part as wholly unnecessary, and as pressed upon consideration for the sole purpose of upholding a system, intrinsically unsound, by the introduction of statements in some degree plausible, but substantially irrelevant. The principles, however, upon which the Chinese government regulates the intercourse with foreign nations, and the peculiar opinions which are entertained and carried into practice respecting external commerce, must, in my judgment, not only powerfully affect the mode of conducting a trade with that country, but prevent the amount of reciprocal wants from being the measure of its possible extension.

To restrict intercourse with foreigners, nationally and individually, is the great maxim of state policy in China. All nations are jealous of the rights of citizenship, and subject aliens, resident within their territories, to an inquisition from which natives are exempt. This arises, amongst the nations of Europe, from the principle, that, as aliens owe no natural allegiance, but, on the contrary, will be prepared to benefit the country of their birth and affections, at the expense of that of their temporary residence, their proceedings may justly be scru-

tinized with strictness, if not with suspicion; but in China the personal intercourse of foreigners with the natives of that country is reprobated, as having a positive tendency to corrupt the morals and derange the harmony of those institutions, political and domestic, by which the curious fabric of society has been held together; the safety of the state is considered to rest upon an insulation of the national existence; and the extent of the empire, combined with the variety of its soil and climate, have given facilities for enforcing this system of non-intercourse, without rendering the effects of it so palpably injurious, and inconvenient to the people at large, as to make them anxious for a change. This indifference of the people in China to the obstacles presented by the laws and policy of their government to the extension of foreign commerce, does not arise either from a contempt or disinclination to mercantile pursuits; on the contrary, the accounts of all travellers agree in describing the greatest commercial activity on all the main lines of internal communication. The attention of the government has, from the earliest ages, been directed to render the intercourse between the different provinces of the empire easy and secure. Water-

carriage has been rendered available for the bulkiest articles of merchandise, from times that carry us back to the barbarism of Europe. But all this has uniformly had reference to the internal trade of the empire; and neither the necessities of the people, nor the policy of the government, have looked to commerce with other nations as a main source of individual wealth, or of imperial revenue.

The maritime intercourse of foreign nations with the empire of China is confined to the port of Canton and the island of Macao,* while their commerce, though tolerated, cannot be said to be encouraged: the duration of that commerce, however, is not founded upon treaties as between independent states, nor am I aware that increased restrictions upon it would, with reference to any admitted rights or privileges, form a just ground of international hostility. In the limitation of the trade with Europeans to the Hong merchants, we find an application of that great principle of Chinese internal administration

* It appears from an article in the number of the Quarterly for January, 1830, that the Spaniards have the additional privilege of trading to the port of Amoy; but it is said that the exactions of the Mandarins have, in practice, rendered the privilege nugatory.—Vide Quart. Rev., No. 83, page 151.

—individual responsibility, as well as a further application of the policy which refuses to recognize free intercourse with foreign nations, as one of the wants of the Chinese people. No confidence is placed either in the individuals who may resort to China for commercial purposes, nor in the governments of the nations to which they belong. Chinese merchants are therefore held responsible for the satisfaction of the dues of the Chinese government. Under such circumstances, the extension of any particular branch of commerce actually existing, or any alteration in the mode of conducting that commerce, will depend not upon the usual principles by which such transactions are regulated in intercourse with other nations, but upon the view that may be taken of the matter by the government of China, and upon the degree in which the personal interests of the Hong merchants may be affected on the occasion. The parliament of England may extinguish the monopoly of the East India Company, and may open the trade from England to the merchants generally, but the associated Chinese merchants will still retain *their* monopoly of the trade in and from China, and they must see their advantage in the further

introduction of British manufactures, and in the new system, before the extended views of the merchants of Great Britain can be carried into fair and full effect. It is not improbable that the Hong merchants might prefer transactions with individual traders to dealings with a body possessing the capital and existing privileges of the East India Company. Good understanding amongst themselves would place the foreign merchants, acting individually, at their mercy; and the whole course of the trade would be determined by a consideration of the profits of the Chinese monopolists. It is charged against the East India Company, that they, possessing the monopoly of the tea trade, do not sufficiently supply the home market with the article, and that their object therein is to keep up the price for their own profit. Without thus adopting the language of hostility, it may be further urged, that their commercial capital is not equal to the demands of the trade with China under an unrestricted system. But if these objections are valid, as used against the East India Company, are they not applicable with equal force to the Hong merchants? Will *they* encourage the in-

troduction of British manufactures upon liberal principles of commercial intercourse?—will *their* capital be equal to the increase of the trade?—or will *they*, in contradiction to their past conduct, seek to remedy this deficiency by soliciting an increase to the numbers in the association? In a recent publication ('Facts relative to Chinese Commerce'), the natural effects of the Hong association are thus described:—

"Our commerce has to contend with a close and almost overwhelming monopoly on the part of the Chinese themselves, which their government strictly enforces, by confining the regulation and conduct of every branch of foreign trade to a certain number of native merchants in Canton, who compose what is denominated 'the Hong.' These merchants are subject to the *surveillance* of the provincial government in their most intimate affairs, and are even appointed to their situations by the government. The entire commercial capital of the country, as far as regards foreigners, is comprised in their persons, and under their management and control."

The number of the Chinese merchants in the Hong is ten, but the power is confined to three

or four, who are possessed of large capital. The author whom I have just quoted, further remarks, (page 7)—

"The other five or six (the whole being under ten) are placed, or rather retained, in their situations, more for the purpose of forming a required number than for the sake of their capital, or for their utility in transacting business. For the former, they are chiefly dependent upon those few of their colleagues who are capitalists; and for their existence as men of business, they are indebted to the East India Company, who have been successful in preserving a more enlarged number of these Hong merchants than suits the interests and intentions of their more wealthy brethren."

No foreign vessel arriving in China is allowed to commence the unloading of her cargo until some one of the Hong merchants has offered himself as security to the government; or, in the words of this author, "until he has rendered himself responsible for all occurrences or accidents that may call for its attention or interference." That this is not a nominal responsibility was clearly shown in the case of the Chinese woman, accidentally killed in a squabble by a sailor be-

longing to the American ship Emily, in 1821; for, on that occasion, the Chinese security-merchant and the Chinese linguist (interpreter) of the Emily were both arrested, and placed in close confinement within the city of Canton; nor were they released until the American sailor was delivered up, not to undergo a fair trial for the deed committed (really manslaughter), but to satisfy, by his death, the cruel singularity of the Chinese code. Compliance with the demands for the unconditional surrender of the American sailor to the Chinese authorities was, according to the paper issued by the viceroy of Canton, thus enforced:—*

"Previously to this, in consequence of the said nation's chief staring about, opposing, and lingering, and not delivering up the actual murderer immediately, I communicated with the Hoppo, and requested him to order the merchants to command the man to be delivered up; and I examined the records, and, in imitation of an old English case, I directed the whole of the Ame-

* This passage is quoted from the translation of the Edict, to be found in 'Miscellaneous Notices relating to China,' by Sir George Staunton, a work full of interesting information respecting China, and which contains the ablest defence of the present system of commercial intercourse that has yet appeared.

rican trade to be stopped. Since they have now delivered up the foreign murderer, who has been clearly tried and punished, the said chief has on the whole behaved respectfully and submissively, and it is proper to permit the trade to be again opened, and cargo to be taken up and down, in order to manifest our compassion."

While such is the power exercised by the local authorities at Canton, and while the institution of the local monopoly among the Chinese Hong merchants remains unaltered, it is impossible to admit that the opening of the China trade can be effected, under circumstances which will justify us in taking the consequences of the measures passed in 1813, and subsequently, respecting the India trade, as conclusive evidence of the vast consumption of British manufactures and produce, that would attend the abolition of the East India Company's exclusive privileges in the trade with China. At the same time I cannot agree with the advocates for the continuance of these privileges, that the introduction of British manufactures into China can ever have a fair chance of adequate extension, through the dealings of the East India Company with the

Hong merchants, nor am I satisfied with the following explanation given on the subject:—

"Still, the endeavour to increase the supply is always attended by a diminution of price, in proportion to the excess in quantity. The climate of Canton, and the adjacent provinces, of which the temperature does not invite the use of broad cloth, long ells, or cloths of a similar consistency, affords but little prospect of an increase in the demand of these manufactures. Some of them are, indeed, forwarded from Canton to the northern provinces, to which they are more adapted; but the expenses of transit, and the heavy inland duties superadded to those of Canton, cause so large an addition to the price, that they are consequently considered as articles of luxury, and attainable only by the wealthiest portion of the Chinese in the north. In the southern part of the country, though the use of these commodities is not entirely confined to one description of natives, yet, being far more expensive than their ordinary dresses, and required only for two or three months in the year, garments of cloth are literally handed down from sire to son, and remain long in existence. Hence the

general consequence is, that before the supply of one season is consumed, the arrival of the ships of the succeeding year, with their usual cargoes of manufactures from England, overstocks the market."—*Facts relating to China*, p. 36.

It is said, that the East India Company export British manufacture at a loss. Such a proceeding can answer no good purpose, either to the Company or to the nation, as the amount of the loss must be ultimately reimbursed to the former, in the enhanced price paid for tea by the British consumer. It is equally futile to say, that ample opportunity is afforded through the private trade of the officers of the Company's ships to make every sort of experiment upon the taste of the Chinese market: the same opportunities existed in the trade to India before 1813, and they certainly were not adequately made use of. The real difficulty exists in the restrictions imposed upon foreigners and foreign trade by the laws of China, and the view taken of their own interest by the Hong merchants; and I am inclined to think, that until some change takes place in both these respects, the extension of the British trade contemplated by the merchants and manufacturers

who have petitioned parliament on the subject, is hopeless.

I am confirmed in this opinion, by finding that a trade unfettered on one side by monopoly, and therefore presenting an exact analogy to the condition under which the British trade would be conducted, were it not for the privileges of the East India Company, has been unable to overcome these local disadvantages, and that the attempt to extend the introduction of European manufacture has, as a question of mercantile profit, proved unsuccessful. The value of the American trade to and from the port of Canton, in the year 1805-1806, was 2,264,894*l.*, and in the year 1826-27, the value of the same trade was 1,778,293*l.*, showing a decrease in twenty years of more than one-fifth on the whole trade. It has not unnaturally been made matter of complaint, that the merchants of America have been enabled to export British manufactures directly to China, whilst that advantage is, in England, exclusively confined to the East India Company. The fact, undoubtedly, is so; and yet the result of the experiment thus made by the Americans does not appear to have been per-

manently or progressively successful, for the value of this class of exports during the last year, of which an account has been given, 1826-27, is less than that of the preceding, 1825-26; the one being 915,358 dollars *, and the other 893,896. In fact, there appears to have been a great falling off in the American trade with China generally, during the years 1826 and 1827; the value of the trade in 1826 having been 9,988,830 dollars,† and in 1827, 7,481,588 dollars.‡ The value of the tea, also, exported in the first year was 3,752,281 dollars; and in the latter year, 1,714,882 dollars. That portion of the tea exported by the Americans for consumption in Europe exhibits a still larger comparative decrease, having fallen off, since the year 1818-19, from 3,103,651 lbs. weight § to 357,966 lbs.; nor has this decrease of the export of tea intended for the markets of Europe been counterbalanced by an increase of consumption in America. The tea exported for American consumption in the year 1818-19 having been 8,884,998 lbs.; and in the year 1826-27, 8,219,600 lbs.; || which latter quantity, if com-

* Papers relative to the trade between India and China, printed by order of the House of Commons, June 1829.

† Idem, p. 46. ‡ Idem, p. 50. § Idem, p. 42. || Idem, p. 41.

pared with the increase in the population during the same period, presents, in fact, a rate of home consumption much lower than is marked by the arithmetical difference. There are not, therefore, any circumstances in the actual condition or prospects of the American trade, which can *per se* establish such an evident superiority of a trade carried on by individual merchants, as to furnish additional arguments for the extinction of the East India Company's privileges. Still less is there any proof to be found in the intercourse between the Chinese authorities and Hong merchants with the consul and traders of America, that a consular establishment and individual traffic, are more efficient, for the protection of the persons and commerce of foreigners, than the system under which the British trade is conducted. It must, on the contrary, be admitted, that the power possessed by the Company's supercargoes of stopping the whole British trade, from its analogy with the mode in which the commerce of foreigners is dealt with by the Chinese themselves, and from its immediate effect upon the local revenue, has been found to be infinitely more calculated to prevent fresh exaction, than any diplomatic proceeding whatsoever,

when addressed to a government so totally different, from the rest of the civilized world, in the laws and usages regulating international intercourse. In regard to dealings with the Chinese merchants, inasmuch as the Company's export trade bears so large a proportion to the whole commerce of the port of Canton, their agents must, in fact, command the market, and the Hong merchants, once embarked in this trade, must be greatly dependent upon them in all mercantile transactions. The reverse has been the case with the American merchants, who have occasionally stood in the relation of debtors to the Hong merchants, and who are, practically, very much at their mercy, both as to the quality and price of the tea, and in all other matters of business. They are, as might be expected, very jealous of the superior influence possessed by the Company's factory, and have not been wanting in complaints against the interference of the supercargoes with their dealings; they are clamorous for the extinction of the East India Company's privileges; and they especially complain of the influence exerted by the super-cargoes in 1828,* for the purpose of compelling the

* See the American account of these transactions, in Appendix No. II.

Hong merchants to withdraw the licenses granted by them, to what are called the outside merchants (persons not by name included in the association), to trade, under the cover of the Hong responsibility, with the Americans and other foreigners. It is clear, that if these outside merchants used their licenses for the purpose of evading the established restrictions upon all foreign commerce, the large and fair dealers, such as the East India Company, would trade to a disadvantage; and on the other hand, if the business done by these individuals became very extensive and profitable, the Hong merchants could not, with a fair consideration for their own interests and legitimate pretensions, tolerate the practice any longer. According to this view of the transaction, an union between the supercargoes and the Hong merchants was perfectly justifiable; and although the Americans may regret the detection and prevention of illicit traffic, they have no just cause of complaint. I have alluded to the transaction, not as important in itself, but as proving the influence possessed by the supercargoes in all matters relating to the trade at Canton. The opponents of the East India Company may say, *Fas est ab hoste doceri;*

but, for my part, I cannot but apprehend that there are no persons engaged, or likely to engage in the trade with Canton, who would more rejoice in the change to a consular administration of British mercantile affairs at Canton, than the Americans. They are fully aware of the suspicion with which the Chinese view all change; and their friendly representations would not be wanting to give full effect to the prejudices of the nation and government on such an occasion. There can be no doubt that, in the first instance, the announcement that the East India Company were no longer the representatives of the British nation, and were no longer responsible for the conduct of persons trading to China, would shake the confidence of the Chinese; and that no consul, with the usual powers attached to the office, could establish for himself the confidence and influence now attached to the Company's factory: All that might be lost in these respects by the supercargoes, would be turned to the advantage of the local government and of the Hong merchants, and consequently to the injury of the foreign trade in general. This conclusion rests upon the example furnished by the Americans of their inability to maintain either their preten-

sions as traders, or to protect the life of an American subject through the official authority of a consul. I am not prepared to say, that a trade might not be advantageously conducted under less powerful agency, and even under the increased vexations of Chinese authorities, and the less restrained exactions of Hong merchants; but I would press upon attention the errors into which mercantile speculators would be led, by overlooking difficulties and impediments that unquestionably did not exist at all in India when that trade was opened in 1813, and which cannot be said to prevail in any other country pretending to civilization.

The extinction of the Company's exclusive privileges would, no doubt, be followed by a torrent of speculation intended to meet the anticipated demands of the Chinese market, not measured by the past or present state of the trade at Canton, but by the supposed powers of consumption of the population of the empire. The only chance of success in this project, would be the sale of British manufactures at prices which certainly would not at first be remunerating, but which might ultimately introduce new wants among the Chinese people. The Hong merchants would,

in the commencement, have the power of gaining a double advantage; first, by giving low prices for the exports from England, and secondly, by charging exorbitantly for the return produce of China. It is, however, not absolutely inconsistent with experience, that these evils should be only temporary, and that the first losses would be recompensed by the permanent establishment of an extended commerce.

At present, the principal article of export from China is tea; and one of the most important questions connected with the present regulations of the China trade, is the degree in which these regulations affect the consumption of tea in Great Britain. I will first, without adverting to the rate of duty on importation, consider the manner and the quantity of the supply as furnished by the East India Company. It is contended by the East India Company that they keep the British market fully supplied with tea, inasmuch as a larger quantity is always put up to sale than will be accepted by the buyers; the quantity refused by them in 1828 having been 1,317,920 lbs.* I cannot, however, altogether assent to this inference, nor admit that the result of public sales in

* Parliamentary Paper, June 1829, p. 49.

London can be said to determine the real demands of the whole market of Great Britain. The sale of tea, like that of any other article, will be regulated by the local convenience which dealers throughout the country possess of supplying themselves; and the restriction of importation and large sales to one port, must consequently, by diminishing that convenience, check the consumption of the commodity itself. There is, however, no ground for charging the East India Company with disinclination to supply the London dealers with any quantity that they may require; but as tea is not allowed to be bonded, and as the duties must be paid in advance, large capitals are required, and the trade is necessarily confined to few hands. There is only one seller, that seller resident in London, and the London dealers may be said practically to possess a preemption of the article. If the importation of tea, like that of other produce from the East, was permitted at Liverpool, Bristol, &c., competition in purchase would be free, convenience in supply to the retail dealers would be much increased, and the result must be reduction of price to the consumer. Under present circumstances, the consumption of tea cannot be said to be ad-

vancing in this country, either at an equal ratio with that of other articles, or in proportion to the growth of the population, and it is no unfair inference that consumption is more or less arrested by high price. Let us, however, in illustration of this point, compare the progress of consumption of tea in America with that in England, within ten years. The tea exported from Canton, by Americans, for American consumption, in 1816-17, was 6,074,100 lbs.,* and in 1826-27 (the last year of which there is an account), was 8,219,600 lbs., showing an increase exceeding one-fourth in the whole quantity; the export has, indeed, been as large as nine, and eleven millions of pounds within the period; but it would appear from the reduced amount of the export in the years 1826-27, that the actual demand in the market has not called for so large a supply.† If we examine the exports of tea by the East India Company, during the last ten years, of which the accounts have been made public, we find that there has been no great increase in the quantity exported from Canton, although a larger quantity

* Parliamentary Paper, June 1829, p. 41.
† Idem, p. 47.

has, within the last three years, been brought to sale in England, and sold at reduced prices. The quantity brought to sale in 1817-18 was 23,401,706 lbs., at a sale amount of 3,502,388*l.* In 1827-28 the quantity brought to sale in England was 29,082,148 lbs., and the sale amount 3,356,955*l.*, thus affording to the consumer the advantage of increase in quantity and great reduction in price. The price may, however, be still too high for the means of the consumers, and as this is made up of the price paid to the importer, and of the customs' duty to the crown, the next point for consideration is, whether either or both of these component parts are susceptible of reduction. It had been so confidently asserted by the opponents of the East India Company, that the prices charged by them for their teas greatly exceeded those of all the markets of Europe and America, that persons, who were disposed to look impartially at the subject, could scarcely have been prepared for the complete disproval of these assertions to be found in the 'Papers relative to the Trade with India and China,' laid before parliament in June, 1829. Russia is the country which stands next to Great Britain and America in the scale of consumption,

and the prices at Petersburgh, for teas of ordinary quality, are higher than in London. Thus, the price of common black tea per pound is 5*s*. 10*d*., while bohea of ordinary quality sells for 8*s*. 9*d*., and the better sort for 9*s*. 8½*d*. the pound. The duty in Russia on teas of that quality is 1*s*. 11*d*. The average price of the tea sold by the East India Company, in 1827, was 2*s*. 5*d*.; and as the duty paid to the crown is 100 per cent. when the average exceeds 2*s*., the price at which the tea was passed to the wholesale buyer was 4*s*. 10*d*.,—a price exactly one shilling less than that of the lowest quality of tea in the market of Petersburgh. To determine the comparative cheapness of tea supplied by the East India Company, and that furnished by the American merchants to their countrymen, I will state the selling prices at New York and in our North American colonies, to which, by the 5th of George IV., the East India Company have been allowed to trade directly from China. I take this as the scale of comparison, because the qualities of the teas are supposed to be the same. The duties on tea imported into our North American colonies is very low. On hyson it is only

6*d.* per pound; the duty on the same tea in the United States is 1*s.* 8*d.* The selling price at Quebec, in May, 1827, was from 4*s.* 6½*d.* to 4*s.* 7½*d.* The price at New York, in the same year, was 4*s.* 6*d.* to 6*s.* 2*d.* From the little variation in the prices at Quebec, it is to be inferred that there is no difference in the quality of this class of tea; but the great difference between the highest and the lowest American prices, combined with the fact of the readiness with which the Americans are known to purchase green teas of inferior quality, confine the comparison to the higher priced tea. Deducting the respective duties, it appears that about 4*s.* is the price of hyson both at Quebec and New York.

It is here of importance to observe, as the contrary has been asserted, that the average price of every description of tea sold by the East India Company in North America, differs only by a small fraction from the London prices,—the average of the one having, in the year 1828, been 2*s.* 3*d.* .7 per lb., and the London price 2*s.* 4¼*d.* The price, therefore, of tea in England does not, as compared with the price of the article in the two great markets of America and Russia, ap-

pear to be higher. We have, however, no right to assume that, under a different system of conducting the trade, and with the advantages of capital and manufacturing energy possessed by Great Britain, the price might not be lower; but as yet, there are no facts by which such a conclusion can be supported. I will not pursue the comparison of prices through the other markets of Europe. In most of them the consumption is too trifling to furnish materials, and in others, from a temporary glut of the article, the selling price in Europe is less than at Canton. For this extraordinary fact I refer my readers to a table of prices of tea given in page 70 of the pamphlet entitled 'A Review of the Arguments and Allegations against the Renewal of the East India Company's Charter.' Tea cannot be viewed as an article either of general or of necessary consumption throughout Europe. The quantity annually consumed in France does not exceed 220,053 lbs.; while the aggregate consumption of Russia, the Netherlands, France, Denmark, and Naples, amounts only to 8,539,968 lbs.,—a quantity not greater than the consumption of the United States of America, while the English market

alone takes off a full third more of tea than those of Continental Europe and of North America. It is indeed doubtful whether the consumption of the article in Great Britain is susceptible of very great extension. In the rapidly increasing consumption of coffee, which has doubled within the last six years, a serious obstacle will be found to a further introduction of tea amongst the labouring classes; and thus another source of difficulty to the obtainment of profitable returns, for any sudden augmentation of the supply of British manufactures in the market of Canton, would be presented to mercantile speculation. These considerations lead us to listen with great distrust to those who, in estimating the effects of an unrestricted commerce with China, reason from the successful introduction of small quantities of certain articles into the market of Canton, to their indefinite extension throughout the Chinese empire; and who, at the same time, assign no other limits to the consumption of tea in Great Britain but the numbers of the population. Of such persons it may be said, as of Catiline, 'immoderata, incredibilia, nimis alta, semper cupiebat.' A very confined view of the actual value and extent of

the British trade with China will be taken, if the subject be examined only in reference to the trade to and from Great Britain. The total annual value of the British trade with China in 1826-27, was 7,303,710*l*. This amount is thus composed: *—

Trade of individuals - - -	£3,764,404
Trade of the E. I. Company - -	3,539,306

Under the first head are included the exports and imports of the private trade between India and China. The trade of the East India Company is divided thus :—

Exports and Imports between India and China -	£ 362,405
Ditto between England and China -	3,176,901

The total value of the British trade between India and China is 4,126,809*l*. This trade may thus be considered as in the hands of private merchants, and it is unquestionably that part of the British imports into China which rests upon the most secure footing, namely, certain demand in the Chinese market It is admitted on all hands that there is no difficulty in obtaining a security-merchant for a country ship, that is, a private ship trading from India: the cargo is at once saleable, and there is no risk regarding the duties. On comparing the invoice value of the Company's

* Parliamentary Paper, June, 1829, page 3.

imports into China with that of the exports, it will be seen that the tea is chiefly purchased with the produce of India, realized at Canton, through the medium of the country trade. Let us take the year 1826-27 as an instance: in that year the invoice value of the imports by the East India Company into the port of Canton was 764,418*l.**, while the invoice value of their exports from Canton was 2,264,726*l.*; that is to say, nearly triple the value of the imports. The total value of the country trade in the same year was 15,709,232 dollars; of this amount the value of the opium was 9,269,826 dollars†. As the monopoly of the sale of opium forms one of the branches of territorial revenue in India, this last sum is, *pro tanto*, a remittance of that revenue to China, and we are thus brought back to the important subject of the remittance from India to England on account of the territorial government; for it is through the combined action of the private trade between India and China, and of the tea-trade of

* Parliamentary Papers, June, 1829, page 34.

† Parliamentary Papers, June, 1829, page 44.

The value of the opium in 1827 and 1828 was 11,243,496 dollars. Cotton and opium are the staple exports from India to China; and in the years 1826, 1827, and 1828 respectively, the value of these two articles exceeded 14,000,000 dollars.

the East India Company, that regularity in that indispensable remittance is at present secured. The Company's treasury at Canton is opened for the issue of bills upon the presidencies in India, which bills are purchased by dollars realized on the sale amounts of the private trade from India to China. The dollars thus paid in at the Canton treasury are employed in the purchase of teas, and the sale of the teas supplies funds for defraying the expenditure on account of the Indian territory. The commercial character of the East India Company gives a facility for this mode of remittance, that could not equally belong to a system of administration entirely political. I am ready to admit that if no such body existed as the East India Company, the produce of British India would equally find its way to China; and that were the present demand for tea in England to continue without producing an equivalent demand for British manufactures in China, the teas must, as at present, be chiefly obtained by an exchange against Indian produce; but these considerations do not reach the necessity of securing funds to the authority, administering the government of India, for expenditure in England on account of that territory. The present time is

so marked by mercantile and financial enterprise, that merchants and capitalists might be found who would undertake the operation; but I can conceive no arrangement with individuals which would possess the simplicity, regularity, and absence from pecuniary risk of the present system.

Without underrating the convenience of the means by which this financial operation is now conducted, the question for final determination is, whether too high a price is not paid for that convenience; and whether, on the whole, the removal of ancient and anomalous restrictions from such an important branch of British commerce will not ultimately more than counterbalance a temporary derangement of the financial transactions between the authorities in Great Britain and India? By the present constitution and instrumentality of the East India Company, a vast empire is administered, under all the vicissitudes of war and peace, without charge on the national resources; a trade with a government remarkable for jealousy of foreigners, and for indifference to foreign commerce, is conducted with certainty and advantage, and with gradual increase; while a revenue exceeding three millions is levied on

that trade, free from the ordinary expenses of collection. It is impossible to treat lightly such important benefits, and it would be most unwise to deal hastily with the system by which they are secured. The total extinction of the Company's privileges respecting India and China, is a measure that might be produced by the ambition or obstinacy of the parties, between whom the question of the renewal of the Charter must be discussed. The influence of public opinion would, in the present day, be a sufficient guarantee, if any such were required, against ambitious schemes on the part of the Ministers of the Crown; and I trust that the same influence will point out to the Directors of the East India Company, the expediency of readily abandoning such of their privileges as either irritate the feelings, or press hardly upon the honest enterprise, of their countrymen; and induce them to meet the legislature, not, as their opponents anticipate, with the sullen reluctance of capitulating monopolists, but with the views of liberal merchants, and enlightened statesmen, in whom a great trust has been reposed, for the general advantage of the British nation.

Since the above observations were written and printed, an article has appeared in 'The Quarterly Review,' which bears internal evidence of having been written either by, or in communication with a member of the East India Company's factory at Canton; and I rejoice to find the views which I have taken of the subject, supported by the authority and local experience of the writer of the article in the Review. The quotations from the Canton Consultations, or proceedings of the council of the factory, sufficiently establish the difficulty which, notwithstanding the absolute control possessed by that council over the whole British trade at the port of Canton, is found by them in resisting combination among the Chinese tea-dealers. The instance brought forward is an attempt made by the manufacturers of black tea to raise the price of the article, in the year 1819. It appears that the Hong merchants were rather accessaries, than principals in the attempt, to which the writer of the article has applied the harsh term of "Conspiracy." It is not easy to imagine that such a combination could have been resisted by any other authority, but one which could at once stop the whole of the British

tea-trade. The Hong merchants were obviously unequal to the conflict; their interests were, however, too closely connected with those of the East India Company to admit of their continued adherence to the proprietors of the tea, and the latter were compelled to abandon a project, which however mercantile men will not readily admit to have been either unreasonable, or criminal. There is not a tea-drinker throughout Great Britain who will not read with satisfaction the account which is given in this article of the pains taken to prevent adulteration of the teas supplied to the East India Company; and I conceive, that none but those who are inaccessible to evidence, can refuse assent to the assertion of the East India Company, that they exercise the power possessed by them over the Hong merchants to secure moderation in the price, and excellence in the quality, of the teas purchased by them at Canton. The question, however, still remains, whether the price paid by the people of England for these advantages is not too high, and whether good tea is not to be met with in countries, where the foreign merchant has been left to contend individually against the fraud or extortion of the Chinese dealers. It is dangerous to attempt to

prove too much; and while I contend that many of the petitioners for opening the China Trade have put forth the most exaggerated and untenable assertions on their side of the question, I am not prepared, with the writer in the Review, to treat the proposition itself as absurd, or unworthy of serious consideration. The peculiar circumstances under which the trade of foreigners is placed by the laws of China, combined with the partial failure of the attempts made by the Americans to increase the supply of British manufactures in the market of Canton, have led me to reject, as fallacious, the anticipations of those who consider the surprising effects produced in India by unrestricted intercourse, as indicative of equal results in China; but I do not think that either the failure of the Americans, or a temporary glut of manufactured goods in the Canton market, are conclusive proofs that no better success could *possibly* attend the operations of British merchants, who possess larger capitals than the Americans, who trade at lower profits, and who are able, from national connexion, to bring Indian commerce to bear upon their mercantile transactions in China.

Assuming that there may be some weight in these considerations, I am not disposed to view a concession to the merchants generally of the trade in all commodities from England to China, and from thence to all parts of the world, with the exception of England, and that exception to be confined to the article of tea, as modifications of the existing monopoly, wholly valueless to them, but I entertain strong doubts of its expediency; and those doubts arise from my fears of disturbing the efficacy of the present system of local administration, by which the absurdity of the Chinese laws is mitigated, the extortion of the Mandarins resisted, and the combination of the Hong merchants and tea-dealers prevented.

I can see no legislative arrangement with regard to the trade, so far opened, which could secure those important benefits from risk, except that of subjecting all ships, not belonging to the East India Company, to the same regulations as those under which the country trade from India is actually conducted. Those regulations have not prevented the extension of that trade; and the instances have been so few in which the Supercargoes have been compelled to

use their power over the whole British trade of the port, that no permanent effect upon the interests of private merchants can be traced to the exercise of it. It is proposed by the writer in the Review, that on an opening of the trade from England to China, the senior Supercargo of the Company's factory should be invested with the title of His Majesty's Consul. If submission to such powers as those now possessed by the Select Committee of Supercargoes would be made less irksome to traders directly from England by this addition, some advantage would undoubtedly be gained; it is, however, by no means probable that this would be the effect; and the proposal is open to the objection of novelty, (as far as regards the British trade,) in itself a very serious consideration in all matters of intercourse with the authorities and people of China. I am borne out in this view by the writer himself, who says, that on occasion of a discussion between the Mandarins and Captain Richardson of the Topaz frigate, the former "laughed at Captain Richardson, and told him they knew no English authority but the Company's factory."

NOTE.

" THAT we did not irretrievably commit ourselves at Peking, and formally acknowledge Englishmen the slaves of the Chinese Emperor, by licking the dust before his feet, we have to thank the experience of the British Factory, and the firmness of Sir George Staunton."—*Quarterly Review*, January, 1830, page 163. The above passage will, I trust, be a sufficient excuse for my taking the opportunity afforded by this Letter, of adverting shortly to the reflection cast in it upon Lord Amherst and myself. Lord Amherst and I, influenced by a view of the state of the negotiations with the Chinese Ministers, did consider that compliance with the ceremonial of the Chinese Court might, under certain concessions on their part, be expedient; but neither in entertaining this opinion, nor in acting upon it, had that course been pursued, did we propose to ourselves to acknowledge " Englishmen the slaves of the Chinese Emperor"!

Lord Amherst thought fit to defer to the urgent representations made by Sir George Staunton, of the injurious effects which the performance of the ceremony might have upon the position of the Factory at Canton, and consequently upon the commercial interests of the East India Company; but he at the same time distinctly

stated to Sir George Staunton, that he considered all questions connected with personal or national degradation, as completely set at rest, by Lord Macartney's conduct, in proposing even conditional compliance, and by the instructions from his Majesty's Government to himself, which had authorized the performance of the ceremony under certain circumstances and concessions. I am certainly not disposed to renew a discussion upon a diplomatic proceeding,—never very interesting,—and now happily forgotten; but I shall content myself with declaring, that I have never seen reason to change the opinion, which I submitted to the Ambassador, before we had disembarked at Tiensing, that no success could attend the mission, without complying with the particular usages of the Chinese court and nation, as far as a due sense of our own dignity, combined with considerations of policy, would permit; and that I considered a performance of the Kotou, *in the presence of the Emperor*, as coming decidedly within these limitations.

APPENDIX.

No. 1.

EXTRACT FROM EAST INDIA ACCOUNTS.

No. 2.

AMOUNT OF THE PROCEEDS OF SALE OF GOODS, &c. &c

No. 3.

EXTRACT FROM TIMES NEWSPAPER,
DECEMBER 3, 1829.

No. 1. EAST INDIA ACCOUNTS.—ANNUAL

A STATEMENT of their BOND DEBTS and SIM they respectively carry, and the Amount of such In and other Effects, appertaining to the Company in distinguishing the Debts and Assets, in the Political the Commercial Branch :—

POLITICAL AND TERRI

DEBTS.

To Bills of Exchange unpaid, from India and St. Helena, drawn on the Political and Territorial Account ..	£503,794
Warrants passed the Court unpaid	78 646
Amount owing for Territorial Exports	54,711
Unclaimed Prize Money applicable to Lord Clive's Fund (Act 1 and 2, Geo. IV.), bearing Interest at 5 per cent. per annum...	68,287
The Commercial Branch for Territorial and Political Payments, made in England between 1st May, 1814, and 1st May, 1829 (including Interest)	* 10,640,172
His Majesty's Government, due per Estimate, on account Pay-Office and other demands, after taking credit for sums due from Government to the Company	665,235
	£12,010,845

* MEMORANDA :—This balance is subject to reduction, by Branch to the Commercial Branch, in the Indian official years of these advances is to be ascertained, have not as yet been to 5,908,942*l.* ;—which will leave a balance due to the Com

In the period from 1st May, 1814, to 1st May, 1829, there mercial Profits in England, the sum of 4,923,020*l.*, towards payment under the 4th head of Appropriation of the 57th upon the Territorial Department for repayment, upon the

East India House,
27th May, 1829.

(Errors

ACCOUNT, made up to the 1st day of MAY, 1829.

PLE CONTRACT DEBTS, with the Rates of Interest terest; and the state of cash remaining in their Treasury, Great Britain, and afloat outward, on 1st MAY, 1829; and Territorial Branch, from the Debts and Assets in

TORIAL BRANCH.

ASSETS

By Exports of Military Stores, &c., shipped in season 1828–29, with the amount remaining unshipped on 1st May, 1829 ..	£ 587,441
Cargoes from England, of season 1827–28, not arrived in India, &c., at the close of the official year 1827–28	520,618
What owing from sundry persons for advances repayable in England ..	15,811
Bills of Exchange, drawn on his Majesty's Government, for Supplies furnished in India, unpaid 1st May, 1829.	42,361
Value of Carnatic Stock belonging to the Company ...	34,037
Value of the East India College, at Haileybury; and of the Military Seminary at Addiscombe ...	177,220
Balances in hands of Officers of the House, &c., of sums advanced to pay Political Charges ...	3,670
	£ 1,381,158

the amount of the advances made in India from the Territorial 1827-28, and 1828-29; the documents whereby the amount received from India; but which, it is estimated, may amount merce, of 4,731,230*l*., including interest.

has also been advanced, or set apart, from the Surplus Com- the liquidation of Indian Territorial Debt; which, being a section of the 53d. Geo. 3, is not held to constitute a claim principle observed in respect to other Territorial Advances.

excepted.)

THOS. G. LLOYD.
Acct.-Genl.

No. 2. **EAST INDIA ACCOUNTS.—ANNUAL**

ANNUAL ACCOUNT, made up to the 1st day of May, Goods and Merchandize of the East India Company, in Charges, and Payments, in Great Britain, under the same for the current year; and a Statement of their Bond they respectively carry, and the amount of such Interest; Effects appertaining to the Company, in Great Britain, and Assets, in the Political and Territorial Branch, from mercial Branch.

AMOUNT of the Proceeds of the Sale of Goods and Mer of their Commercial and other Receipts, Charges, and together with an Estimate of the same, for the current tical and Territorial Branch, from those in the Commer

POLITICAL AND TER

RECEIPTS.

Bills on account of Supplies to the Public Service, and Bills drawn on India	£ 65,013	5	1
His Majesty's Government, in re-payment of Advances in India, not liquidat l by Bills of Exchange	8,596	14	7
Unclaimed Prize Money paid into the Company's Treasury, and carried over in formity to the Act 1 and 2 Geo. IV. c. 61, applicable to Lord Cl e's Fund, less Claims allowed thereout	1,968	1	11
Net Produ e of Bullion received from India on the Territorial and Political acc	629,697	13	8
	£ 705,275	15	3

ACCOUNT, made up to the 1st day of MAY, 1829.

1829; containing, the Amount of the Proceeds of the Sale of Great Britain, and of their Commercial and other Receipts, several heads thereof; together with an Estimate of the Debts and Simple Contract Debts, with the Rates of Interest and the state of Cash remaining in their Treasury, and other and afloat; distinguishing the Receipts and Payments, Debts the Receipts and Payments, Debts and Assets, in the Com-

chandize of the East India Company, in Great Britain, and Payments, in Great Britain, under the several heads thereof; year, distinguishing the Receipts and Payments in the Poli- cial Branch:—

RITORIAL BRANCH.

PAYMENTS:

BILLS of Exchange from India, for Principal and Interest of India Debt; viz			
for Principal .	£85,535 6 7		
for Interest ..	640,570 7 7		
		726,105 14 2	
For Effects of deceased Officers, and other Remittances		60,109 3 0	
			786,214 17 2
Freight of Stores, &c. chargeable to His Majesty's Government ..			3,308 11 8
Spices from the Moluccas, charges set against the proceeds			4,204 8 5
Territorial and Political Charges and Advances in England:			
On account of Military, Marine, and other Public Stores, exported and to be exported			384,052 6 1
Military Officers, Pay and Off-reckonings on Furlough and Retirement			388,071 19 10
Civil Establishments of India; Absentee Allowances and Payments on account of the Bengal Annuity Fund			50,924 7 6
Passage of Military, and Supplies to them on the Voyage .. .			72,729 18 5
Political Freight and Demorage			129,774 6 11
Carnatic Debts: Interest on Claims adjudicated.. ..		£89,771 6 6	
Salaries of the Commissioners, and Current Charges of the Commission; the part chargeable to the Carnatic Fund		4,811 12 0	
			94,582 18 6
Tanjore Debts: Current Charges and Salaries of Commissioners and Others			1,704 10 6
Charges on account of Saint Helena .. Bills, &c. paid		£50,539 15 11	
Exports provided		40,033 11 -	
			90,573 7 4
.. Do. .. Prince of Wales' Island, Singapore and Malacca .. .. } Bills, &c. paid		£1,201 11 10	
Exports provided		1,866 19 10	
			3 068 11 8
Political Charges General, and Advances repayable			518,733 0 0
Amount paid under the arrangement entered into with the Government of Persia, for the Abrogation of the 3d and 4th Articles of the Treaty of Tehran			124,444 8 10
Payments under Act 4 Geo. IV. c. 71, on account of Retiring Pay, Pensions, &c. of King's Troops, serving or having served in the East Indies			60,000 0 0
Paymaster General of His Majesty's Forces, for Claims accrued against the Company, in respect of King's Troops serving in India .. .			354,800 9 3
			£3,067,188 2 1

No. 3.

Extract from the Times Newspaper, December 3d, 1829.

TRADE OF THE EAST INDIA COMPANY WITH CHINA.

THE following letter appears in a New York paper, and may be regarded as the case of the United States in what regards their commercial intercourse with China. The facts stated, coming from such a source, must be received with all proper distrust; but if true, they cannot fail to awaken attention to them in this country:—

" *To the Editor of the National Gazette.*

" It is well known that in the reign of Elizabeth a Company of English merchants obtained a charter for the exclusive trade from her dominions to ports eastward of the Cape of Good Hope, limited to a number of years; which charter has been renewed and modified at various times, and at the present moment exists with all the powers of a regal government in India, and retains the close monopoly of the tea-trade from China under the British flag. As it is only in the trade of China that the writer of this comes in contact with the English Company, he will confine his remarks exclusively to the trade of the port of Canton, which he hopes will meet with that attention which a subject of so much interest to the commerce and revenue of his country demands. He has been a resident commercial agent for several years, intrusted with business of great magnitude, but little accustomed to writing for the public eye; hence his language may be less clear, but

his facts are not the less to be relied on than those of others expressed in better terms.

"Milburn, in his *Oriental Commerce*, article 'Canton,' an authority which the British must acknowledge, tells us, 'that in the first intercourse of the United East India Company with China, each ship had one, or more, supercago, who acted for his own ship alone, and made his bargain with any Chinese merchant resident at Canton.' In the year 1758, the Company changed their system, and appointed resident supercargoes, having a president and select committee, &c. &c., and made another alteration,—viz. 'by trading more directly with the country merchant, who brought his goods to Canton;' and further on he says, 'it may easily be perceived that inasmuch as this new mode was beneficial to the European, it must be hurtful to the Chinese merchant;' and again, 'in 1759, the resident supercargoes sent a vessel to Tiensin, the port of Pekin, with a remonstrance to the Emperor on the grievances which the Europeans suffered, in consequence of which certain Canton security merchants were constituted a cohong, or company, with whom only the Europeans were to transact business at Canton; and all business transacted with Europeans by others than this association, or cohong, became contrary to law, except with licensed shopkeepers in one single street. At first the Hong merchants traded jointly. In 1770, on application of the supercargoes, supported by a large sum of money, the cohong was abolished; however, since this period, the Hong merchants, who constituted the cohong, have continued to transact business on their separate individual accounts, though they still remain a body, and assemble for purposes of a general concern. By laxity of regulation, other Chinese, besides the Hong merchants, have come to transact business with Europeans; but still all such transactions are in the eye of the law illicit and contraband; and as no goods can be shipped

but by a Hong merchant, all others trade in the name and under the protection of some particular one of them, who receives a consideration on that account.

"Thus it appears that the monopoly of the Hong merchants was, in the first instance, occasioned by the close monopoly of the English East India Company, and their impolitic interference with the established mode of trade. Such was the state of the trade of Canton, when the Americans, in 1788 or 1789, first embarked in it, bringing with them their principles of free trade, commencing in the same course originally pursued by the English, carrying on to the present time a commerce increasing in importance, the monopoly of the Hong gradually giving way before them, and free trade establishing itself silently, first by the connivance, and afterwards under the express sanction of successive Hoppos (the collectors of the port) and the consent of the majority of the Hong merchants. So rapid has been the growth of the American trade, that for some years it has been equal to the whole of the East India Company's trade, carried on extensively through the shopmen buying and selling for cash or in barter, and the duties arranged through a Hong merchant, who has found it so advantageous that he has paid annually to the Hoppo from 7,000 to 10,000 dollars as a fee for allowing him the exclusive right of shipping for the shopmen. And so judicious has been the management on the part of the American agents, that they have for several years been importing British manufactures regularly, from London and Liverpool direct, selling them to the country merchants, through the agency of a broker, or bartering them for silks or nankeens, with great trouble and attention, often a single package at a time, on such terms as to induce a continuance of the trade, and by avoiding the local exactions and paying cash duties, enabled to undersell the East India Company, who adhere to the old rule of 1770, selling their imports to

the Hong merchants in the gross, at great sacrifices, and buying their exports from them, saddled with all the loca restrictions and impositions. This growing trade, much more advantageous to the British manufacturer than to the American merchant, has been watched with a jealous eye by the Company's agents in China. As the commercial treaty between the United States and England sanctions the trade, and there is no possibility of attacking it in England, where the Company's monopoly is so odious, their influence had to be exerted in China to thwart the trade, and no method so effectual as to compel the American importer of British dry goods to sell to the Hong merchants, if possible, on the same terms as they do themselves,—terms ruinous to him, because, having to compete with the cash purchaser of tea in his own market, he could not compete with the company vender, who can make up his losses upon British imports by exactions from the tea drinkers of England.

"It is well known that on the renewal of their charter some years since, the Company were compelled to engage to export annually a certain amount of their home manufactures. These arrive in China by ship-loads, and are sold to the Hong merchants at great loss. These losses are exhibited on every complaint made against the Company in the British House of Commons, to prove the advantage the Company are to the manufacturers, and when questioned on the cause of the American trade in the same article being continued and (as consequently presumed) being productive, they have the boldness to assert that the Americans smuggle their goods into China. This accusation comes with an ill grace from a body of merchants who make in India, and sell in Calcutta and Bombay, opium, for the express purpose of being smuggled into China, in open, direct violation of the prohibitory laws of the empire, and from the proceeds of which, paid into their treasury in Canton, to the amount of near 7,000,000

of dollars annually, are they enabled to conduct their extensive tea-trade.

"The Directors of the East India Company require that all the transactions of their agents shall be wholly and exclusively with the Hong merchants. Their agents are paid liberally by the Company, and are expressly prohibited from trading on their own account. Entering as writers through patronage at home, they gradually ascend to be members of the select committee, without any regard to the ability of the individual; hence, at times, the committee may consist of men wholly unfit for the important station they fill, and the most fatal effects may result from one mis-step; for the weight of authority which the select committee possess, having the right in themselves to increase or diminish the proportion of trade given to each Hong merchant, gives them an undue influence over the trade of other nations.

"The English Company's tea-trade is divided out in shares; and to such of the Hong merchants as the committee sees proper, they give one, two, or three shares. Such is the extraordinary manner in which they conduct the trade, that each share is considered equal to an annual profit to the holder of 40,000 dollars, besides the extra mercantile standing given him in the opinion of his countrymen, by holding a certain number of these shares; and, what is the most extraordinary feature in this extraordinary monopoly of the cohong, the Hong merchants, one after another, are becoming bankrupt, and it is for the purpose of bolstering up this rotten monopoly that the select committee have pledged themselves, the present season, to assist and support them in their sinister views on the American trade.

"The Committee enters into contracts with the Hong merchants for their teas in March, which are to be delivered in November or December following; and the Hong merchant, on his part, contracts with the country merchants,

advancing them money on account. The tea-merchants have always claimed and exercised the right of disposing of their teas on their arrival at Canton, to any other person than the Hong merchant, returning him the amount advanced with interest. On this point there has always been difficulty; but it is one belonging exclusively to the Chinese, in which foreigners have no right to interfere; and it is here that the American trade comes in direct collision with the English. Acting on the principle of fair competition, the Americans contend for the right of purchasing the best the market affords, and pay in proportion to the demand. The English rule is the reverse of this, and long established prices are paid for the several grades of teas, and the decision of their tea-inspector regulates the grade to which each chop or parcel belongs. From this decision there is no appeal, and the merchant who sends his sample to the inspector must abide by his dictation: although the American merchant would give him an advanced price for it, he is compelled to give it to the Company. As the tea-men have so often suffered by these exactions, many of the most respectable of them have either become bankrupt, or withdrawn, in disgust, from a trade in which they are exposed to such impositions, coupled with the defalcations of a negligent cohong, and those who continue to turn their attention first to the Americans, and if not satisfied with their prices, they send them to the Company, and for several years the Company's supply of superior teas has been much reduced*. Some mode was, therefore, to be found to check the growing evil. It was short-sighted policy that dictated the one of which we have to complain; for while it might secure to the Company a choice from the Hong of the teas that did come, it must incessantly make the supply shorter when

* "These remarks are wholly to be understood as referring to green teas. The black teas are of but little importance to Americans, and, as it respects them, the Company have their own way."

the already crippled tea-men should be compelled to recognize the failing Hong merchants as their own brokers; and in nothing, perhaps, have the Company's agents evinced their ignorance more than in this—in imagining that the American demand alone was absorbing all the good teas, when it is the bad cultivation of the article by impoverished and defrauded tea-men, which has reduced the bulk of the American qualities in a ratio fully equal to that of the Company's.

"The cohong originally consisted of fourteen members, now reduced to seven by bankruptcies; and of these seven, four only are men of capital or credit. On the failure of Manhop, in February, 1828, the Hong merchants entered into a compact with the English Company, by which they subjected themselves to a penalty of 20,000 dollars, to be levied on the Hong merchant who shall, after a certain date, grant his chop or permission for the sale of any imports, to any persons other than a Hong merchant, or shall ship off any goods purchased of a shopman, and to the forfeiture by such a one of all his shares of the Company's business, at the pleasure of the Committee. The attainment of several objects might be reached by this measure. The cohong, deeply embarrassed by the previous failures of Conseequa, Pacqua, and Poonqua, and the more recent and severely disastrous one of Manhop, and incapacitated in its surviving members to perform its functions upon fair principles, was to be secured in a stricter monopoly, with the intention of enabling it to pay its defalcations to foreign creditors, and for continuing a system for the benefit of those foreigners whose gains in China chiefly resulted from loans at the high interest which such a system nurtured. And the English Committee were to be secured in their choice of teas, no matter how dearly their employers paid for the privilege, by receiving them at the hands of a Hong so constituted. At first it was not believed by the Americans that their silk trade was to be affected by this ar-

rangement. They supposed the jealousy of the Company's agents would confine itself to the teas. But when the new order of things was announced, as it formally was to the American Consul, on the 25th of March, by the cohong, it was found that the parties interested were determined to go for the whole. The cohong's disastrous situation required the utmost that exaction could give them, and the agents of the Company had perceived that the facility with which the Americans bartered off British manufactures for the silk manufactures of China, operated unfavourably upon their barter system with the cohong. They had not wisdom enough to see that the reduced prices at which the Americans were enabled by their silk trade to introduce British manufactures into China, were most conducive to advance British industry, or, if they had, they were wanting in patriotism to act upon it. As soon as it was ascertained that it was determined to apply the new system, in all its extension, to the American trade, an attempt was made to awaken a proper feeling in reference to it, and, if possible, to avert it by an appeal to a regard of the consequences which public opinion, too enlightened not to view monopoly with aversion, would visit upon the authors of such mischief. But the only press in Canton which afforded the means of this, was under the Company's control, and it was conceded, by the act of suppressing the communication, that their deeds would not bear the light.

"The new system would, of course, bear least particularly hard upon the vessels in port which had adopted their arrangements, and made their contracts under the old one. An application was, therefore, immediately made to Honqua, to know whether the permits would be granted for the cargo in preparation. He declared they should; that it was not consistent with either reason or propriety that they should be refused. This was on the 5th of April. On the following day,

this decision was reversed, and a peremptory declaration made that no more outside goods should be sent down. Strong remonstrances were made in vain by those concerned to Honqua, against his injustice and inconsistency. A meeting of the American merchants was then called, who decided upon a petition to the Canton Government. The next day they called a meeting of the cohong, in order to present it. A petition from foreigners to Government, however ineffectual, is at no time a pleasant thing to the cohong. They asked time for consideration,—twenty-four hours were granted them, at the expiration of which they again met the Americans, and announced to them that the compact with the Company was broken, and the trade was again placed upon a footing without reference to it, *i.e.*, that no individual Hong merchant should be bound by it, and might ship off if he pleased. But the dishonesty of this conduct was evinced upon endeavours to obtain permits for the goods in readiness. No Hong merchant could give one! The object of this deception was to give time to enable them to obtain from the Company permission to concede to the Americans the outside silk business: for though they wished to cancel their agreement with the Company, their release depended upon the Company's assent. The Company thought they had made too good a bargain to be off so easily, and it is believed, to the confusion of the cohong, demanded a full compliance with it. The Americans, perceiving that their difficulties could not be removed but by the interference of the Canton Government, had, in the mean time, drawn up a petition stating their grievances, and the causes of them, and had presented it to Government; getting no answer or unsatisfactory ones, a second and a third have been sent in, but the business is yet in negotiation. One feature in the business, evincing the recklessness of the Committee to the claims of justice, must not be omitted. In the progress of it a new dif-

ficulty arose which was not anticipated. Some of the Hong merchants have junior partners or assistants, who are not considered outside men, but act in the name of and with a division of profits with a Hong to which they are attached. Contracts made with them for the ships in port, it was supposed, would be introduced, by the Company's agreement; it was not supposed they would become parties to a breach of contract. But the Hong merchants so understood it, and would not ship off. A direct appeal was therefore made, by the party interested, to the British chief supercargo, who refused to answer the inquiry, and, endeavouring to add insult to injury, politely intimated that the agent of an American commercial house had no representative character entitling him to explanations from the servants of the English East India Company. Comment is needless.

"It is time to bring this recital to a close. The question unhappily and needlessly put in agitation between the cohong, the Company, and the Americans, is yet at issue. It is probable that the latter will obtain from the justice of the Government, permission to ship off the goods contracted for the ships loading, and it may be, that their trade may be again placed upon its former footing. But this is scarcely to be hoped for. The foreign influences in Canton, which, as one, might effect much, are divided one against another, and too weighty a portion is now interested in supporting a system of exaction upon the foreign trade. To other influences, therefore, than those which now rule there, must we look, to establish that order of things, which it is so desirable to do, to give stimulus to British and American industry, and to further the best wishes of humanity. The people of the United States cannot be indifferent to the indications of any foreign rule in China. Rapidly stretching themselves to the shores of the Pacific, she will ere long become to them a sister nation in the West, or if she is still to be regarded in the vista of the distant East,

the influence that would check free access to her tea must be felt as prejudicial to the advance of their industry, and they may not relinquish this excitement to it. But tea they cannot receive by a grant foreign to that of China. As their fathers bequeathed them a right to it, independent of such control, so must it remain free to them.

"Or if, as citizens of the world, we cast our eyes to Britain, may we not hope that the guardians of her interests are too enlightened not to perceive that the servants of her commercial company have been unfaithful to the trusts committed to them? At the moment the most favourable, perhaps, to secure the desired advance upon the Chinese system, they have, in petty jealousy of the efforts of the free, done what they could to bar closer the door of access to her; and in extending their fostering care to an ineffectual hong, and so adding to the bounties of foreign bankers, would sacrifice the hope and stay of their country, the industry of her people. Let this attitude of monopoly, so forbidding to the hopes of the economist and philanthropist, be the signal of its retirement. The services, for the performance of which a wise Providence in a dark age designed it, are no longer needed, and the spirit of an age other than of its establishment, demands that man communicate with man with a freedom attendant upon the promised freedom of the course of light.

"AN AMERICAN MERCHANT."

"*Canton, May* 10."

THE END.

Printed by William Clowes, Stamford Street.

OBSERVATIONS

ON THE

THIRD REPORT,

&c. &c.

Price Two Shillings and Sixpence.

OBSERVATIONS

ON THE

Third Report

OF THE

SELECT COMMITTEE

OF THE

HOUSE OF COMMONS,

ON THE AFFAIRS OF THE

EAST INDIA COMPANY.

Dated 21*st of June*, 1811.

DEDICATED TO THE MARQUIS WELLESLEY.

PART I.

BY THOMAS MYERS, Esq. M. P.

LATE ACCOUNTANT-GENERAL IN BENGAL.

London:

PUBLISHED BY T. CADELL AND W. DAVIES, STRAND;

Printed by G. SIDNEY, Northumberland street.

TO THE

MOST NOBLE

MARQUIS WELLESLEY, K. G.

&c. &c. &c.

MY LORD,

HAVING had the honour of being officially and confidentially employed in concerting the arrangements and superintending the details of the Public Finances and Accounts of India, during a part of the successive Administrations of the late Marquis Cornwallis, of Sir John Shore, Bart. (now Lord Teignmouth) and of your Lordship; being intimately acquainted with the extreme and unexampled pressure of the financial embarrassments, which your Lordship, in particular, had to encounter, and more especially at the commencement of your Administration; and having enjoyed, at least, an opportunity of deriving instruction upon financial subjects, under the eminent example afforded me by your Lordship, of unremitting application, distinguished ability, and successful exertion, in devising the most effectual means of providing for the pressing exigencies of the public service, and of establishing a sound and efficient system of Finance upon just,

liberal, and enlightened views of Public Policy; I hope I may, without arrogance, presume to lay claim to some knowledge of the subjects discussed in the following sheets.

Under this impression I have diligently and impartially endeavoured to place some of the most important topics, animadverted upon in the Third Report of the Committee of the House of Commons on the affairs of the East India Company, in a more correct and distinct point of view than is afforded of those topics, respectively, in that Report.

In this (the first part of my Publication) almost all the measures, which I have reviewed, were brought under my own personal observation and deliberate consideration, in my official capacity abroad;—before those measures were adopted; during their progress; and also after their respective results and effects had been ascertained.

If in this part of my work I shall succeed, even in the smallest degree, in affording any new light, or hint which may be useful to any of the existing Authorities; or in impressing those Authorities and the Public with a more just sense of the severe financial difficulties with which your Lordship had to contend, and of the eminently successful result of your measures in the Administration of the Finances of India, I shall consider myself abundantly rewarded for the labour which I have bestowed upon the subject.

In the second part of my Observations (to be hereafter published) I propose to revise the Comparative View taken in the Report, of the supplies to and from India; and also to review the losses which the East India Company have sustained, in consequence of the mode adopted in the adjustment of the accounts of advances, &c. for the Public Service in India, between His Majesty's Ministers and the Court of Directors.

In this part of my work, my sole object is to contribute, to the utmost of my power, my humble labours towards the elucidation of the truth, upon points which are, in my judgment, essential to a just view of the *unadmitted* claims of the East India Company upon the Public, and of the interests of my Country in its relation with the British Possessions in India.

The result, which I conceive I am warranted to anticipate, from my proposed revision of the Comparative View before described, is, that the Territorial Revenues in India will appear to be considerably more valuable, and the commercial intercourse with India, conducted by the East India Company, considerably less valuable, than those two branches of Public economy are respectively regarded, in the Third Report of the Committee of the House of Commons.

For presuming to address the following sheets to your Lordship, not only without permission, but even without any communication with your Lordship, upon the subjects which I have discussed,

I must throw myself entirely upon your Lordship's candour and indulgence.

Perhaps there may be persons who may regard some of the passages in my Observations, as better calculated to find favour in your Lordship's eyes, than to promote any object of Public Interest. I have not, however, ascribed any of the effects, which I have stated, to any other than their real and obvious causes. And I could not therefore suffer myself to be swayed, by any consideration of a personal nature, to shrink from the duty which I had to perform.

Whatever may be the defects of my character, in other respects, I have never yet had to repel any insinuation of the description to which I have alluded. And, if any of the opinions, which I have expressed in the following sheets, should be called in question, I have no doubt that I shall be able to support, upon satisfactory grounds, all that I have advanced.

I have the honour to be, with unfeigned respect,

My Lord,

Your Lordship's much obliged,

And most faithful servant,

THOMAS MYERS.

Tilney Street,
May 15th, 1812.

OBSERVATIONS

ON THE

THIRD REPORT

OF THE

SELECT COMMITTEE OF THE HOUSE OF COMMONS,

ON THE

AFFAIRS OF THE EAST INDIA COMPANY.

DATED 21st JUNE, 1811.

THE order proposed to be observed in the discussion of the various, intricate, and important points contained in the Third Report of the Select Committee of the House of Commons, on the affairs of the East India Company, dated 21st June, 1811, is to consider,

In Part I.

Those points which regard the origin, connexion, character, and effect of the measures adopted by the authorities at home and abroad respectively, upon the general subject of Indian Finance.

And in Part II.

Those points which affect the Comparative View, contained in the Report of the supplies from India to England, and from England to India respectively, from 1792-3 to 1808-9 inclusive; exhibiting a result of the Political being debtor to the Commercial Concern, in the sum of £1,629,701.

It will be shewn, under both these divisions of the subject matter of the Report, that it contains considerable errors and defects upon several material points. And, as in the proposed review of the important topics, which have been presented to the public, under the sanction of such High Authority, it is obviously desirable to exclude, as far as possible, every ground of imputation of a forced, or mistaken construction of any particular passage, it is proposed to quote the words of the Report upon the points to be discussed, on one side of the following sheets, and

to place on the opposite side, such Observations as shall appear to be requisite for the better elucidation of the subject.

PART I.

Those points which regard the origin, connexion, character, and effect of the measures adopted by the authorities at home and abroad respectively, upon the general subject of Indian Finance.

Report of the Committee, dated 21st June, 1811. *P.* 371.

"A plan, under the name "of Sinking Fund, was ac-"cordingly instituted in the "year 1798 at Bengal, and "in the year 1799 at Madras, "the principles of which are "shewn in the documents "added to the Appendix. It "appears to have borne no "affinity to that which passes "under a similar appellation "in England, and consisted "of sums either raised by "bills on the Court of Direc-"tors, or derived from the "general resources of the "country and applied to the "purchase of public securi-"ties in India. The opera-"tion of this fund began in "the year 1798-9 at the "former presidency, and in "the year 1799-1800, at the "latter; and effected a re-"duction of the capital of "the debt at Interest, down "to the year 1808-9, to the "amount of 4,038,696*l*.

Observations on the Report of the Committee, dated 21st June, 1811.

It is to be observed, in the first place, that the plan of the Sinking Funds established in Bengal and at Madras, did bear a strict affinity to the institution which passes under a similar appellation in England, in every material point except one, viz. that the annual charge incurred by the annual appropriation towards the liquidation of the Indian debt was not provided for by the immediate imposition of new taxes to an amount corresponding with such annual charge. It is further to be observed that, from local circumstances at the period of the adoption of the measure of the Sinking Funds in India, such a provision was a matter of more than ordinary difficulty; and, in addition to this consideration, it was deemed inexpedient to pledge the Indian Government to the Public, farther than the immediate necessity of the case required, until the sense of the Court of Directors should be obtained upon the subject. But it was well known to the Authorities in India that the plan was defective in the important point above stated. And this defect was officially communicated by the author of the plan, to the Court

of Directors, in a letter, dated January 1st, 1801, and expressed in the following terms:

"I hope I shall not be considered as "trespassing upon the attention of "your Honourable Court in begging "leave to state, in this place, that there "is still one thing wanting to complete "the plan in question," (the plan of the Sinking Fund) "which I apprehend it "will be necessary soon to have recourse "to; and that is, to lay it down as a "rule in future, that, upon every increase of the public debt abroad, new "taxes shall be imposed in India, adequate to provide for the annual charge "incident to such increase of Debt; "conformably to the established practice "upon every increase of the funded "debts of Great Britain."

Notwithstanding, however, that the adoption, progress and effect of the plan of the Sinking Funds were regularly communicated, from time to time, by the proper Authorities in India to the Court of Directors, and notwithstanding also, that the defect in the existing plan, and the remedy to be applied for the removal of such defect, were distinctly stated to the Court in the terms above quoted; yet it would appear that the Court thought fit to abstain altogether from expressing, either their sanction, or disapprobation of the measure, in their correspondence with the Authorities

Report of the Committee, dated 21st June, 1811. P. 371.

Observations on the Report of the Committee, dated 21st June, 1811.

abroad; leaving the questions connected with the subject in a state of suspense for a period of ten or eleven years, and then directing this plan for the liquidation of the debt to be discontinued.

"Reverting to the Sink-
"ing Fund instituted in the
"year 1798, and to its ope-
"ration as lately shewn, it
"is thought proper to in-
"form the House, that this
"plan for the liquidation of
"the Debt has been discon-
"tinued, and the accounts
"relating to it ordered to be
"closed on the General
"Books of the Bengal Presi-
"dency. The operation of
"the Fund on the Debt of
"the Madras Presidency
"appears, by the general ac-
"count of the Debts, to have
"ceased from the year
"1806-7. From this cir-
"cumstance, and from the
"preceding observations, it
"is to be deduced that no
"regular plan for the liqui-
"dation of the Indian Debt,
"exists at the present time;
"but that whatever reduc-
"tion may be effected in its
"amount, must arise from
"the application of the super-
"abundant Funds which, more

It is not necessary in this place to enter into a detailed justification of the measure of the Sinking Funds; since it has been uniformly acknowledged by all the official authorities, and indeed by all persons who were competent to judge of its effects abroad, to have contributed, in a very important degree, towards the improvement of public credit at a period of unexampled pressure upon the public resources. But as the measure appears to be regarded in the cursory manner in which it is treated in the report, as one which was ill-concerted and even misnamed; and as it is further added "that this plan "for the liquidation of the debt has "been discontinued;" that no regular "plan for the liquidation of the Indian "Debt exists at the present time," and that "the farther liquidation of the "principal of the debt, should not be "lost sight of;" the almost unavoidable inference from these observations is, that, notwithstanding the importance justly attached by the Committee to the farther liquidation of the Debt, it was, in their view of the subject, more eligible even to be without any plan at all, for that purpose, than to suffer the plan,

Report of the Committee, dated 21st of June, 1811. P. 371.

"from adventitious causes "than from an excess of in- "come, have accumulated in "the Indian Treasuries; or "from transfers made to "Europe upon the principles "which will presently be "brought to the notice of "the House. But these "means of reduction must "obviously appear to be "merely temporary; and "although it cannot be de- "nied that the effect as im- "mediately applicable to our "situation, in India, is salu- "tary from lessening the "demand for interest, the "farther liquidation of the "Principal of the Debt "should not be lost sight of."

Observations on the Report of the Committee, dated 21st June, 1811.

adopted in 1798 and 1799, to be continued any longer in operation.

Under this impression of the whole scope of the observations above quoted, it becomes expedient to examine how far the institution of the Sinking Funds has been justly regarded and characterised in the report:

It is stated in the original plan of this institution, dated the 10th of January, 1798, that the estimated amount of the whole of the Public Debt in India, (including the Debts of Bengal, Madras, Bombay, and Bencoolen) was sicca rupees 6,50,00,000, or about pounds sterling. . . . . 8,125,000.

It appears from the Report now under consideration, that "the operation of "this Fund began in the "year 1798-9, in Bengal, "and in the year 1799- "1800, at Madras, and "effected a reduction of "the Capital of the Debt "at Interest, down to the "year 1808-9, to the "amount of pounds sterl. 4,038,696:" being in the proportion of nearly one half of the sum total of the Public Debt which existed in India at the time when this measure was suggested.

It is apprehended that the reduction of so large a proportion of the Public Debt, during so short a period of time,

(being seven years at Madras and ten years in Bengal) cannot be justly regarded as a measure of light importance. It is to be observed, however, that the main object of the measure, as described in the original plan, was to effect a steady, uniform, rise in the value of the Public Securities, and thereby to enable the Government to raise the requisite supplies of money for the Public Service, with more facility, and upon more advantageous terms.

In proof of these expected results having been realized, it is only necessary to refer to the periodical state of Public Credit, as reported, from time to time, by the proper Authorities abroad.

It is certain that the amount of the advantage derived by the East India Company, from the progressive improvement of Public Credit, cannot be ascertained with precision. But in order to afford as correct a view of that advantage, as the nature of the case will admit, recourse may be had to an estimate of its probable amount, calculated, upon grounds to be assumed for the purpose, in the following manner:

It appears that, subsequently to the adoption of the plan of the Sinking Funds, the capital amount raised by Loans in India was at least £25,000,000. It can scarcely be doubted by any person whose local knowledge enables him to

be a competent judge of the subject, that the sum above stated was raised upon more advantageous terms than could have been effected, if the plan of the Sinking Funds had not been previously adopted, in the proportion of 4 per cent. upon an average. And, upon this calculation, the result is, that the advantage derived by the East India Company, in this view of the operation of the Sinking Funds, may be estimated at pounds sterling. 1,000,000

There is also another view in which the measure under discussion demands consideration, viz. with regard to the advantage which has accrued to the East India Company from the change of system, introduced by the measure in question, in the discharge, or redemption of the public debt. It was the former practice to discharge the Principal, according to a certain order of priority *at*

Carry forward . . . 1,000,000

Brought forward 1,000,000.

par, while under the operation of the Sinking-Funds, the redemption of the public securities was effected at their *actual value* in the market at the period of redemption. The advantage thus acquired by the East India Company must have been considerable; and it is apprehended, that its actual amount may be ascertained with perfect accuracy, by a reference to the public accounts from Bengal and Madras, at the East India House.

For the present purpose, however, it will be sufficient to estimate the probable amount of this advantage, as follows:

It is stated in the original plan of the Sinking Funds, dated the 10th of January, 1798; that, of the Public Debts of Bengal then existing, nearly one-eighth part consisted of 12 per cents. which were below par: above six-eighths of 8

Carry forward 1,000,000.

Report of the Committee, dated 21st June, 1811, P. 371.	*Observations on the Report of the Committee, dated 21st June, 1811*

Brought forward 1,000,000.

per cents. which were 14 per cent. below par: and nearly one-eighth of 6 per cents. which were 20 per cent. below par.

It appears from the Report now under consideration, that the whole amount of the debt redeemed under the operation of the Sinking Funds, was (as has been before stated) 4,038,696*l*.

It can scarcely be considered too much to assume (and any error upon this occasion may be easily detected) that the redemption of the sum above stated, was effected upon more advantageous terms for the East India Company than could have been attained under the previous system of a redemption at par, in the proportion of 6 per cent. upon an average. And, upon this calculation the result is, that the advantage derived by the East

Carry forward 1,000,000.

Report of the Committee, dated 21st June, 1811, P. 371.	*Observations on the Report of the Committee, dated 21st June, 1811.*	
	Brought forward	1,000,000.
	India Company, by the measure of the Sinking Funds, in this view, may be estimated at the sum of ....(A.)	242,300.
	Upon these calculations the total result is, that the advantages derived by the East India Company, in these two views of the operation of the Sinking	
	Carry forward	1,242,300.

(A.) An Honorable Gentleman who has long been a Director of the East India Company, and who is also a member of the Committee, whose Report is now under consideration, is reported to have stated, in his place in the House of Commons, in the debate upon the India budget, (vide Parliamentary debates, 15th July, 1806,) "that an equal reduction" (of the Indian debt) "might have been effected by the same sum in directly paying off "debts without any establishment of a Sinking Fund." It is evident, however, from the view above taken of the effect of that measure in redeeming the Public Securities at their actual value in the market at the respective periods of redemption, contrasted with the mode before practised of "paying off debts" at par, as referred to by him, that his view of the subject was completely erroneous; inasmuch as the advantage derived from the Institution of the Sinking Funds, appears to have amounted in this view alone, to about 242,300*l.* Sterling.

N. B. Since the above calculation was made, information has been received, that the actual advantage thus derived from the Sinking Fund in Bengal alone, amounted to upwards of 180,000*l.* It may be presumed, therefore, that the above calculation of the whole advantage derived at the two Presidencies of Bengal and Madras, will be found nearly correct.

Brought forward 1,242,300.

Funds, may be considered as amounting together to about, pounds sterling 1,242,300.

This however is not all the advantage derived by the East India Company from the adoption of this measure. For there is great reason to apprehend, that, if it had not been for the institution of the Sinking Fund in Bengal (aided, in a considerable degree, by other important improvements in the administration of the Finances of India) the large pecuniary supplies which were urgently required for the exigencies of the Public Service, could not have been raised, *upon any terms*, to meet those exigencies in point of time. The peculiar importance of this consideration at the period in question, can only be duly appreciated upon a just view of the then critical and arduous state of Public affairs. At that period, the British Government in India was engaged in a just and necessary war, upon a scale of unexampled magnitude and extent, and under circumstances of severe aggravation of the pecuniary difficulties, naturally to be expected at such a juncture; since the existing Public Revenue was inadequate to provide for the ordinary Public Expenditure; the Public Treasuries were frequently in a state of actual insolvency; recourse had been had

Report of the Committee, dated 21st June, 1811, P. 371.

Observations on the Report of the Committee, dated 21st June, 1811.

to Public Loans, until Public Credit was almost entirely exhausted; and pecuniary supplies from England were not to be expected, either in time, or to an amount adequate to afford any material aid towards the prosecution of the extensive military operations, which were required for the maintenance of the national character, and the security of our interests in that quarter of the world. Notwithstanding, however, this severe pressure of the embarrassments of the Government, such were the policy, ability, and vigour with which all the necessary operations for the occasion were concerted and executed, that all the great objects of the war were completely attained within the short space of four months. This brilliant and unparalleled success of the British arms, is to be ascribed, in a considerable degree, to the salutary operation of the Sinking Fund in Bengal, towards the improvement of Public Credit. Pecuniary resources fully proportioned to the exigency were provided. An army amply equipped for the field, upon a scale superior to the force which it had to oppose, was enabled to march to the capital of the enemy, without being retarded, for a moment, by the want of the requisite supplies. And a memorable instance was thus afforded of this important tant truth, that, although the temporary

pressure, occasioned by the requisite exertions, may be severe; yet, that to extend the operations of war upon a scale adequate to ensure the accomplishment of the objects in contest, in the shortest possible space of time, is ultimately the most Provident Policy; whether it be regarded with a view to national character; to the consideration of the number of lives which must be lost in the contest; or merely with respect to economy in point of pecuniary expenditure.

With regard to the orders for the abolition of the Sinking Funds, it may be expedient to offer a few short observations. In the present prosperous state of the financial affairs of India, it is not likely that any very ill effects should be experienced immediately, in consequence of the discontinuance of those plans for the liquidation of the debt. Nor is it likely that, if those plans had been continued, any material advantage could have been derived, at the present moment, by the purchase of the Public Securities at a rate below par. But still the mere notoriety of such increased and growing funds being in the possession, and at the disposal of the Commissioners for the management of the Sinking Funds, could not have failed to produce a salutary effect in upholding the value of the Public Securities. It

is also to be observed, that it is not only possible, but extremely probable, that a time may again come, when circumstances may render it expedient to have recourse to some similar institution for the support of Public Credit; and that the suppression of the established institutions in the present instance, merely because they were no longer absolutely requisite, must lessen the public confidence in the permanency of any future institution of a similar nature, which it may be expedient to establish.

It may be further observed, that there could not be any necessity for the abolition of those institutions; since provision was made, at the time of their adoption, for the case which has actually occurred, and which is the apparent ground of their abolition; viz. a difficulty in applying the Funds vested in the Commissioners to the purchase of Government Securities in the market. This provision was contained in the sixth regulation for the management of the Fund, and expressed in the following terms: "The Commissioners shall "be at liberty to subscribe any part of "the monies to be placed to their account towards any public loan which "is now open, or may be hereafter "opened, in case they should not be "able to apply the whole of the funds "in their possession to the purchase of "Government Securities; and it should

Report of the Committee, dated 21st June. 1811. *P.* 371.

"The anxiety with which "the increase of the Debt "in India has been contem- "plated by the Authorities at "home, is strongly evinced "by a letter addressed to the "Chairman, Deputy Chair- "man, and Court of Di- "rectors, by a late President "of the Board of Commis- "sioners for the Affairs of "India, when quitting that "Department in 1801, "which is already upon the "table of the House. The "suggestions contained in it "were not neglected by his "successor; and in the next "year exertions were made "to carry into effect a part "of what was recommended "in that document. The "general principle of the "measures (which were ap-

Observations on the Report of the Committee, dated 21st June, 1811.

"appear to them to be beneficial to "the interests of the fund to subscribe "to such loan."

Under all the circumstances before stated it clearly appears, that the prosecution of the established plan for the liquidation of the Indian Debt was unquestionably practicable; as well as highly expedient, whether it be regarded with a view to the present or future advantage of the British interests in India.

Without meaning to detract, in the smallest degree, from the merits of the two high Authorities referred to in this part of the Report, it may be observed, that the anxiety with which the increase of the Debt in India was contemplated by a High Authority abroad, is strongly evinced by a Minute of the Governor General, recorded on the Proceedings of the Government of Bengal, under date the 12th of June, 1798. In this document it may be affirmed, without hazard of contradiction, that the actual state of the existing pecuniary relations between India and England is most accurately detailed and defined. It is, therefore, expedient to take a short view of some of the topics discussed in that document, and intimately connected with the subject under consideration. It is there distinctly stated, that "the "annual demand for the purpose of in- "vestment, upon a scale so far exceed- "ing the annual means of the three

Report of the Committee, dated 21st June, 1811. *P.* 371.	*Observations on the Report of the Committee, dated 21st June,* 1811.

"parently confined to the "space of two years) was to "accomplish a more rapid "liquidation of the princi- "pal of the Indian Debt, "than could be effected by "the existing arrangements. "The proposed plan being "brought to maturity, a "communication of it was "made to the Bengal Go- "vernment, by a letter, dated "the 1st of June, 1803, "with orders for carrying it "into execution. This do- "cument will likewise be "found in the Appendix; "and the amount of the ex- "ports of goods and of bul- "lion, in the years 1803-4 "and 5, will prove that every "effort was made to ensure "the success of the mea- "sure. The accumulation of "the Indian debt, however, "which appears in subse- "quent years, shews its en- "tire failure. The cause of "this your Committee attri- "bute to the war with the "Mahratta Chieftains, which "broke out in the very year "in which the plan com- "menced, and did not finally "close till April, 1805."

"Presidencies, is the principal cause "of the present deficiency; and that "the embarrassments of our finances "*must be progressive*, if some means be "not devised for aiding the resources of "this Presidency." It is then recom- mended to the Court of Directors "to "take the earliest occasion of sending "out supplies to India to the amount of "eighty - five lacs of rupees, or "1,062,500*l.* in addition to their usual "consignments, by an increase of their "annual exports of British manufac- "tures and produce to Bengal and Bom- "bay," (amounting to thirty-five lacs of rupees,) "and by an annual supply of "silver bullion to Bengal to the amount "of fifty lacs, or 625,000*l.*" It is also further stated, that "if the sale of Bri- "tish Manufactures in Bengal, and at "Bombay, should equal the general "expectation, an additional supply of "near a crore of rupees (1,250,000*l.*) "would accrue to this Presidency from "the combined result of the two pro- "posed measures." And it is added, that "this supply would be nearly equal "to the probable amount of the *perma- "nent deficiency* of our resources."

The immediate adoption of these suggestions of the Governor General would have prevented, in a great degree, the inordinate accumulation of the principal of the Indian Debt, and consequently of the annual charge upon

the public resources for the interest of that debt.

It appears, however, that the requisite supplies were not furnished from England, and that the Supreme Government was left, in a great measure, to struggle, as well as it could, with its growing financial embarrassments, for four years longer; viz. until 1802-3, in which year the total exports to India, in bullion and goods, appear to have amounted to 2,181,970*l.* sterling.

With respect to the measures suggested by the late President of the Board of Commissioners for the Affairs of India, (Mr. Dundas) for the relief of the financial embarrassments abroad it is to be observed, that he appears to have founded his plan upon the suggestions contained in the minute of the Governor General, of the 12th of June, 1798, as far as regards the proposed supplies from England to India in bullion and goods. It is also to be observed, that when his plan was matured by the Court of Directors, it was continued in operation for *two years only*; viz. for 1803-4 and 1804-5; although it was intended by him to be regularly persevered in from 1801-2 to 1808-9 inclusive; comprehending a period of eight years. (Vide Appendix, No. 2, to Mr. Dundas's letter, dated the 30th of June, 1801.)

Report of the Committee, dated 21st June, 1811. P. 371.

Observations on the Report of the Committee, dated 21st June, 1811.

With regard to the other important feature in the plan of the late President, consisting of a calculation of there being a surplus revenue in India, applicable to the objects of the plan, to the amount of 800,000*l.* (vide Appendix, No. 4, to Mr. Dundas's letter, dated 30th of June, 1801,) and which supposed surplus was afterwards enlarged by the Court of Directors, in their calculation, to the amount of 1,000,000*l.* (vide Appendix to the Report, No. 38,) it may be sufficient to observe upon the present occasion, that it appears from the result, that those calculations could not have been realized, even under the circumstance contemplated by those two Authorities; viz. a state of peace with the Native Powers in India.

The plan of the late President is dated the 30th of June, 1801. It is stated in the Report now under consideration, that, "this plan being brought "to maturity, a communication of it "was made to the Bengal Government, "by a letter, dated the 1st of June, "1806, with orders for carrying it into "execution." It appears, therefore, that, between the date of the Governor General's suggestions, and the period at which the plan of the late President was brought to maturity by the Court of Directors, an interval had elapsed of nearly five years; comprehending a

space of time eminently arduous and critical to the British interests in India, and attended with unexampled pressure on the public finances.

Towards the conclusion of the observations upon this point in the Report, it is stated, that "the cause of this" (the entire failure of the plan) "your "Committee attribute to the war with "the Mahratta Chieftains, which broke "out in the very year in which the plan "commenced, and did not finally close "till April, 1805."

This opinion being stated in these unqualified terms, it becomes expedient to take a short view of the financial transactions, connected with the plan, for the period referred to in the Report; viz. the years 1803-4 and 1804-5.

The Court of Directors, in their letter to the Governor General in Council, dated 1st of June, 1803, (vide Appendix to the Report, No. 38,) "authorise that Government, for the two "next years, to draw bills on the Court "for such farther sums as may be re"quired to liquidate 2,000,000*l*. of debt "within the year, provided the amount "of bills drawn for that purpose, in"cluding those drawn for the invest"ment, if such should be necessary, "shall in no case exceed the difference "between the amount of the value sent "out in bullion and exports, and the "sum of five millions."

Observations on the Report of the Committee, dated 21st June, 1811.

This proposed annual supply for 1803-4 and 1804-5 respectively, being two years, amounts to............................		£10,000,000
It appears from the account, No. 5, in the Appendix to the Report, that the total amount of the supplies to India and China, in bullion and goods, was, in 1803-4 . . . 3,043,807 And in 1804-5 3,957,822		
Being together	7,001,629	
It appears from the account No. 6, in the Appendix to the Report, that the total amount of Bills of Exchange and Certificates, including both such as were drawn for the liquidation of the Indian Debt, and such as were for general purposes, paid by the East India Company, was in 1803-4, 959,383, and in 1804-5, 1,021,144		
Being together 1,980,527		
Adding then to the amount of the supplies in Bullion and goods the amount		
Carry forward...............7001,629		10,000,000

Observations on the Report of the Committee, dated 21st June, 1814.

Brought forward	7,001,629	10,000,000
of bills and certificates above stated, viz.	1,980,527	
The total amount of supplies from England to India, in 1803-4 and 1804-5, is	8,982,156	
And deducting this amount, viz		8,982,156
from the amount which should have been furnished, according to the Court's letter to Bengal, of 1st of June, 1803, the deficit in the proposed supplies to India and China, as held out in the Court's letter above quoted, amounts, in 1803-4 and 1804-5, to the sum of pounds sterling		1,017,844
To this deficit in the proposed supplies from home should be added, the sums advanced in India, for the service of his Majesty's Government; since those sums became consequently inapplicable to the objects of the Plan contained in the Court's letter of 1st June, 1803. These advances are stated in Account No. 17, in		
Carry forward		1,017,844

Observations on the Report of the Committee, dated 21st June, 1811.

Brought forward................................ 1,017,844

the Appendix to have been as follows: "*Vessels, &c. and Stores for King's Ships in* "1803-4............21,472 "in 1804-5.... 30,381

Being together £51,853

"*Ceylon charges admitted in full in* 1803-4, 68,827 "*in* 1804-5....... 55,834

Being together £124,661

"*Eastern Islands.*"

It appears from account No. 4, in the Appendix to the First Report, printed 25th May, 1808, that the sum advanced in India, on this account was,
in 1803-4...... 215,184
in 1804-5...... 37,964

Being together... 253,148

"*Expense in India of Prisoners captured at Sea.*

In this case there is not any specification in the account No. 17, in the Appendix, of the period during

Carry over.................. 429,662 1,017,844

Observations on the Report of the Committee, dated 21st June, 1811.

Brought forward..................	429,662	1,017,844
which this charge was incurred. The total charge, however, under this head, is 300,000*l.* and taking this expense to have been incurred in 17 years, and apportioning the charge equally to each year of that period, the annual charge will be, 17,647*l.*		
And consequently the charge for 1803-4 and 1804-5, being two years, will amount to......	35,294	
The principal amount of the several items of advances, &c. above-enumerated, is	464,956	
Add, interest on the sum above stated at the rate of 9 cent. per annum, being about the rate actually charged on this account, to Government, in No. 4 of the Appendix to the First Report; for one year only, viz...........................	41,846	
Subject then to the correction of such inaccuracy as may be found in the above estimate of " the		
Carry over....................	506,802	1,017,844

Brought forward..................	506,802	1,017,844
" expense in India of " Prisoners captured at " sea," the total amount of the several items of advances, &c. in India which were not comprehended in the objects of the plan under consideration, is.....	506,802	
And adding this amount to the deficit in the proposed supplies from home before stated, the *total deficit* (exclusive of the consideration of the surplus revenue having been *much over-rated*) amounts to the sum of..............	———	506,802 ——— 1,524,646 :

Being rather more than three-eighths of the proportion of Debt proposed to be paid off in 1803-4 and 1804-5, viz. 2,000,000*l.* in each year, or 4,000,000*l.*

The view taken of this subject in the Report, having been confined to the years 1803-4 and 1804-5, it is deemed expedient to limit these observations to the same period of time; although the further the view of the subject be extended, the more the Deficit in the amount proposed to be supplied from home towards the liquidation of the Debt abroad, will be augmented. But

even upon the limited view of the subject above taken, it cannot fail to be evident, that to attribute the entire failure of the plan for the liquidation of the Indian Debt to the war with the Mahratta Chieftains *is not correct*; since there must have been a failure in the plan, *to a very large amount*, even if the war with the Mahratta Chieftains had not existed.

Before this part of the subject be dismissed, it may not be improper to notice a passage in the letter from the Court of Directors to the Governor General in Council, dated 1st June, 1803, contained in the appendix to the Report No. 38, and expressed in the following terms: "We think it necessary to repeat and specially to direct, that the "provision of our investment to the "extent mentioned in the former part "of this letter, that is to say 4,000,000*l.* "(four millions of pounds sterling,) is "to take place of every other application of our Funds, whether they arise "from surplus revenue, the sale of exports sent from hence, from Bullion, or "from Bills on the Court of Directors."

"Upon these peremptory orders, it is to be observed, that they were not merely such as it might have been highly inexpedient, and indeed absolutely impracticable to execute, without a violation of the existing engagements with the Public

Creditors in respect to the Sinking Funds, and of other most important duties of the Government abroad in various points of view; but also, that these orders could not have been carried into effect within the year (1803-4) in which their operation was calculated upon, without a violation of the law: the application of any resource, derivable from the revenues, *exclusively to commercial purposes*, (previously to an actual surplus-revenue having been ascertained) being manifestly illegal; since it is specially provided in the act passed by the legislature, upon the renewal of the Charter of the East India Company, in 1793, that the Revenues of India should be appropriated according to the following order of preference:

1st, Military and Marine charges.

2dly, Interest on the Public Debt.

3dly, Civil and Commercial Establishments.

4thly, Provision of the investment in India and China.

With deference to the High Authorities who appear to have entertained a different opinion, it is conceived that the construction above given is the only just construction which can be put upon the provisions of the act above quoted. In a subsequent part of that act, provision is certainly made for the application to commercial purposes of the *surplus revenue*. But *these words*

Report of the Committee, dated 21st June, 1811. *P.* 171.	*Observations on the Report of the Committee, dated 21st June,* 1811.

must be understood to signify *not an estimated* surplus revenue, but an *actual* surplus revenue *only*. If it were otherwise it would be in the power of a sanguine calculator to abrogate, at pleasure, the just and salutary provisions of the legislature in this behalf, at any time, and under any circumstances; a power which it is apprehended that neither the spirit, nor the letter, of the law in question will warrant.

Admitting, however, for the sake of argument, that the surplus revenue may be legally applied, within the year in which it shall accrue, exclusively to commercial purposes, still it would be impossible, so to appropriate such surplus, with the strict accuracy required in the orders before quoted. In Bengal, the actual amount of the surplus revenue, of any year, cannot possibly be ascertained until some months after such year shall have elapsed. If, therefore, the facts had been, that there was an actual surplus revenue accruing in Bengal in the year in question, and that such surplus had not been strictly applied to commercial purposes as required in the orders from home, it may be asked to whom could any blame for such failure have been justly attached?—certainly not to the government abroad, or to any of its officers; since so to attach blame to them would be, in fact, to blame for not doing that which was absolutely impossible to be done.

Report of the Committee, dated 21st June, 1811, P. 872.

"Your Committee having
"thus given a short sketch
"of the general measures
"adopted from time to time,
"for the reduction of the
"Indian debt, will draw this
"part of their Report to a
"conclusion, by a few ob-
"servations respecting the
"debt itself; a further ex-
"planation which is the more
"necessary from the altera-
"tion in the terms of bor-
"rowing in India, being the
"admitted cause of those
"embarrassments of the
"treasury in England which
"have been, upon another
"occasion, brought to the
"view of the House. Your
"Committee will not go in-
"to detail upon this subject,
"but be satisfied with ad-
"verting, generally, to what
"preceded the year, 1798.
"Previous to that time,
"whatever was the rate at
"which money was raised
"by Loan in India, the
"transaction was almost en-
"tirely local, and no power
"of demand in England,
"either for principal or in-
"terest was allowed to the

Observations on the Report of the Committee, dated 21st June, 1811.

With regard to the alteration in the terms of the Indian Loans here referred to in the Report, it might be sufficient to observe, that when such alteration was made, it was not practicable to raise pecuniary supplies in any degree proportioned to the extent of the Public exigencies, in the ordinary manner in which such supplies had been obtained in former times. It may, however, be added that, if it had been practicable to pursue that mode, with any prospect of success, it was, under the existing circumstances, much more advantageous for the real interests of the East India Company, to raise such supplies upon the plans of the Loans which were adopted about the year 1798.

It should be recollected that, notwithstanding every practicable effort was made to support the value of the Public Securities abroad, the eight per cents. had actually fallen in value, at that period to 14 per cent. below par. It was evident therefore that any further issues of the same description of Public Securities could not fail to produce a still further depreciation of such Securities; and consequently that if recourse had been had to that measure, it would have afforded but a precarious and scanty supply to the Public Treasuries, even at a constantly increasing rate of expense, proportioned to the

Report of the Committee, dated 21st June, 1811, P. 372.	*Observations on the Report of the Committee, dated 21st June, 1811.*

"lender, (except as far as "related to the principal, "under the remittance plan) "consequently, whatever "pressure arose, fell in the "first instance upon the In-"dian treasuries. The spe-"cies of loans, termed op-"tional, (from vesting in "the lender a right to de-"mand Bills upon England, "for the interest half-yearly, "and for the principal when "due, according to the te-"nor of the obligation,) "commenced in 1798, with "the Decennial Loans, at "10 and 8 per cent. per an-"num; which amounted to "3,820,000*l*. The Loans "on the register, since the "year 1800, were uniformly "raised with this option, till "the arrival of the orders of "the Court of Directors, "dated 9th December, 1807, "in which they pointed out "in strong terms, the incon-"venience arising from this "practice, and directed that "the system of borrowing, "with the allowance of an "option, should be disconti-"nued. The Receipt of these

progressive depreciation of those Securities. The probability certainly was, under such circumstances, that such depreciation would, in a very short time, have far exceeded the extent which it did actually attain in the former Mysore war in 1791-2; which was then sometimes from 20 to 23 per cent. Calculating the depreciation, however, at only 20 per cent. the comparative rate of expense in raising supplies by the issue of 8 per cents. and under the plan of the Decennial Loan, may be stated as follows:

For 100 Rupees, capital in 8 per cents. 80 Rupees would have been obtained in cash. The annual interest upon this sum would have been 8 Rupees, being at the rate of 10 per cent. per annum, until the capital should be discharged. The annual charge for interest, therefore, upon the *Cash-Receipts*, from the issue of 8 per cents. would have been precisely the same as the annual charge for interest upon the *Cash-Receipts* obtained under the plan of the Decennial Loan; viz. 10 per cent. per annum. But there was this additional and important advantage in raising supplies upon the plan of the Decennial Loan. No fictitious capital was created, and when the principal of that Loan was to be discharged, no more was payable in cash, on account of that principal, than had been actually re-

Report of the Committee, dated 21st June, 1811, P. 372.

"orders was acknowledged "by the Bengal Government, on the 14th of May, "1808; and by subsequent "advices it appears, that the "system has not only been "discontinued, in so far as "regards the principal, but "that nearly the whole of "the Obligations coming "under the description of "optional loans at the several Presidencies, have "either been liquidated in India by cash-payments, and "transfer to other loans, or "have been transferred by "Bills to England, under "the option originally granted to the lender. The effect of the transfer to England has already borne, "and will still further bear "with such weight upon the "Treasury in England, as "to create the necessity of "extraordinary measures, to "enable it to meet the demand, which may not "perhaps be termed improperly an unnatural one "upon the Funds of the "Company at home."

Observations on the Report of the Committee, dated 21st June, 1811.

ceived into the Public Treasuries in *Cash.* Whereas, when the eight per cents. were to be discharged, for every 80 Rupees received into the Public Treasuries in Cash, a Principal Sum would have been payable of 100 *Rupees in Cash*; 20 per cent. thereof being Fictitious Capital. In this view, therefore, the plan of the Decennial Loan was more advantageous to the East India Company than a continuance of the former mode of raising supplies by the issue of 8 per cents. could have been, by 20 per cent. upon the whole capital so raised; while the additional accommodation and security afforded to the subscribers to the Decennial Loan, by allowing the interest of that Loan to be remitted by the public officers abroad, (if so desired) by bills on the Court of Directors, at a fixed rate of exchange, and for a certain term of years; and the principal also, in like manner, and at the same rate of exchange, upon the expiration of the term of the Loan, were in fact considerably less than the advantages which the subscribers were fully entitled to expect, considering the opportunities which existed at that time, and for many years afterwards, of effecting a remittance upon still more advantageous terms, even through the medium of bills upon the Court of Directors; and particularly by the subscription of the six per cents. to the remit-

tance for the transfer of the debt. The rate of exchange of that remittance was 1*s.* 11*d.* per current Rupee. The discount upon the six per cents. was 20 per cent.; and, at this rate of discount, they afforded a remittance at the exchange of 2*s.* 9¼*d.* per Sicca Rupee; while the rate of exchange at which the Decennial Loan was remittible was only 2*s.* 6*d.* per Sicca Rupee; being less than the rate to be obtained by the transfer remittance by ten and an half per cent.

The amount raised by the Decennial Loans is stated in the Report to have been 3,820,000*l.* The superior advantage of these Loans, compared with the plan (apparently preferred by the Committee,) of having recourse to the further issue of 8 per cents. has been shewn, upon the calculation above stated, to have been full 20 per cent. upon the capital so raised. And the result therefore is, that, exclusive of the high importance, in a political point of view, of securing the necessary supplies in the order of time in which they were required, the pecuniary advantage alone derived by the East India Company from the adoption of the Decennial Loans, in preference to the other alternative of having recourse to the issue of 8 per cents. amounts to no less a sum than 740,000*l.* sterling.

Such was the effect of the first altera-

tion in the terms of the Indian loans referred to in the Report. And when the rate of interest was generally lowered to 8 per cent. (B.) after the reduction of the power of the late Tippoo Sultaun, in 1799, the advantage arising from the alteration in the general system of the loans became, of course, augmented in proportion to the reduction effected in the rate of interest.

The unprecedented amount of the pecuniary supplies, which were raised in India by the Decennial Loans, in the short space of about twelve months, and which supplies enabled the Government to provide effectually for the emergencies of the extensive and complicated warfare in which it was unavoidably involved, to relieve itself from the pressure of its previously existing embarrassments, and to continue, without any very material interruption or diminution, the usual advances for the investment for England, affords a remarkable instance of the salutary operation of the institution of the Sinking Funds. It has been clearly proved, that the terms offered to the subscribers to the Decennial Loans were not only not

(B.) During a part of the years 1796, 1797, and 1798, many attempts were made to raise money upon Loans at 12 per cent.; but even at that rate of interest (the highest allowed by law in India) supplies could not be obtained to an amount at all adequate to the relief of the public embarrassments.

immoderate, *in any respect,* but that they were, on the contrary, highly advantageous to the East India Company. Neither fear nor favour, present or prospective, could have had any influence upon the occasion. It is, therefore, to the cause above stated, combined with the thorough confidence which pervaded all classes of the community in the justice, energy, and talents, which then peculiarly distinguished the character of the Public Councils in India, that the unprecedented success of the measure in question is to be attributed.

With regard to the optional loans at 8 per cent. which were afterwards adopted in India, it may be observed that the nature of that option was regularly communicated to the Court of Directors. It was known also to the Court, that the adoption of those loans, with such option, was forced upon the Government abroad from necessity, occasioned by the extreme pressure on the Public Finances. The Court appears also to have been fully sensible of this necessity, and, under that impression, to have given, at least, a tacit concurrence in the principle of those loans, for a period of about nine successive years. And, as a right to demand payment of those loans in England was known to the Court to exist, under the option originally granted to the Lender, it may well be questioned whether the

exercise of such right, which has lately taken place, can be properly deemed (as it has been termed in the Report) "*an unnatural demand* upon the Trea- "sury in England." (C.) This at least is certain, that it is a demand which had been long known to the Court to exist, and which, according to the natural course of human affairs, ought to have been expected.

It may also be added that, if it had not been for the measures which were so precipitately pursued for the purpose of inducing the holders of the Optional Securities to relinquish the right of transferring them to England, the pro-

(C.) Upon a former occasion the measure of the Optional Loans, above discussed, appears to have been condemned by the Honourable Gentleman alluded to in note A, (page 10) upon grounds of a very different nature from those assumed in the Report now under consideration. That Honourable Gentleman is reported to have stated, in his place in the House of Commons, in the debate upon the India Budget (vide Parliamentary Debates, 15th July, 1806,) "that they (the Optional Loans) were a dangerous instrument in the hands of "any Government, by enabling it to undertake schemes of conquest and "ambition, unsuitable to the intrinsic powers of our Indian Government, and "our true line of policy." This intended censure is, however, in reality, decisive evidence of the merit of the measure in question, even in the view of the Honourable Gentleman, by whom it was thus arraigned. For it were vain to contend, that the measure might be a dangerous instrument in the hands of a weak or a wicked Government, without admitting also the converse of the proposition,—that the measure was well calculated to be an useful and salutary instrument in the hands of any Government competent to exercise the many other important functions, necessarily confided to its charge, with safety and advantage to the public interests.

bability is, that there would not have been any desire to transfer them in so large a proportion at once as to occasion any inconvenient pressure upon the Treasury in England, which is, at present, so much the subject of complaint.

Upon these Views of the several financial measures of the government abroad, and of the various, complicated and pressing embarrassments under which those measures were concerted and executed, it is conceived that it cannot fail to be evident to every man of an impartial and ingenuous mind, that those measures possessed no small degree of merit. It is hoped, therefore, that these Observations will tend to dispel some of the delusions which have been circulated with too much success, in regard to the character of those measures. That those measures were eminently successful cannot be doubted. The only remaining consideration with respect to them may, therefore, be comprised in this short Question; Whether, under all the circumstances of the case, those measures were, or were not, the best and the most expedient which could have been devised, with an equal degree of certainty, of securing the same beneficial results?

It would seem, indeed, scarcely possible that any impartial person should

Report of the Committee, dated 21st June, 1811. Page 372.	*Observations on the Report of the Committee, dated 21st June, 1811.*

hesitate to answer this Question in the Affirmative. If, however, there should be persons who still conceive themselves justified in maintaining the Negative of the Proposition, it is to be hoped that they will candidly and distinctly state in what particular respects it is, that the merits of the measures in question can be regarded as incompletely established.

END OF THE FIRST PART.

The remaining Observations, which appear to be material for the better elucidation of the several points, comprehended in the second division of the subject matter of the Report, will be speedily completed, and published in Part II.

G. SIDNEY, Printer, 1, Northumberland Street, Strand.

SUBSTANCE

OF THE

SPEECH

OF

RANDLE JACKSON, ESQ.

DELIVERED AT A

GENERAL COURT OF PROPRIETORS

OF

East India Stock,

ON TUESDAY, MAY 5, 1812,

UPON THE SUBJECT OF THE NEGOCIATION WITH HIS MAJESTY'S MINISTERS, FOR A PROLONGATION OF THE TERM OF THE COMPANY'S EXCLUSIVE CHARTER.

Printed by Desire of the General Court.

FIFTH EDITION.

LONDON.

PRINTED FOR J. BUTTERWORTH, FLEET STREET, BLACK PARRY, AND CO. LEADENHALL STREET, J. M. RICHARDSON, 23, CORNHILL, AND J. HATCHARD, PICCADILLY.

1812.

Printed by T. Harper, Jun. Crane Court, Fleet Street, London.

SUBSTANCE

OF THE

SPEECH

OF

RANDLE JACKSON, ESQ.

THE Chairman (Sir Hugh Inglis) having informed the Court, that they had met agreeably to adjournment from the last meeting, which had been summoned by the Court of Directors, who wished their opinion and directions as to the course which they should pursue in the future negociations on the subject of the renewal of their Charter. The Court, he said, was well aware of the unfortunate change which seemed recently to have taken place in the sentiments of his Majesty's Ministers; the papers being all printed and now before them, himself and his colleagues invited a full, fair, and free discussion of their contents.

Mr. JACKSON then rose, and observed, that the Court was met at a period of the utmost importance to its interests and its honour, but of greater importance still to the best interests of the Country; for those interests must still go hand in hand; they were identified with, and inseparable from each other. Under this impression, the Company had uniformly acted, they even now sought no advantage which they could not show to be for the good of the State; and he thought he might safely appeal to the first resolution which the Court had come to

on this business, as a proof, that however justifiable they should be in debating there their particular interests, they had considered themselves as standing in that Court in their higher character of British Citizens, and as such challenged the strictest animadversion on their conduct *. He was confident that

* At a General Court of the United Company of Merchants of England, trading to the East Indies, held April 2, 1812.

Resolved Unanimously, That this Court having perused the papers laid before them at the last General Court, desire to express the high sense which they entertain of the great ability, zeal, and fidelity, with which the Directors have maintained the interest of the East-India Company. They return them thanks for the powerful and convincing arguments by which they have shown the danger which would await the British Empire, from opening the trade of India, and the immense advantages which the nation has derived, in strength, revenue, territory, and character from the capital and the exertions of this Corporation.

That although this Court will feel it their duty, on all occasions, to bow to the determination of the Legislature, they cannot but observe with extreme concern, that no proposition is suggested of an increased or further dividend, either now or hereafter, or advantage of any kind whatever, to the Proprietors of East-India Stock; notwithstanding the negociation for the renewal of the Charter, in 1793, begun with a proposal for an increase of dividend of two per cent., which Charter opened the trade but in a limited and partial degree; and notwithstanding that, while such great and progressive advantages have been obtained for the Public at large, the Proprietors themselves have made little more than common interest for their money. That now to be called upon to part with an undefined proportion of a trade thus established, and maintained hitherto at their sole expense, without any consideration for the same, seems to them to be wholly inequitable. Under these impressions, this Court confides to the Honourable Court of Directors the care of its interests in the farther negociation for a new Charter, trusting

he should be able to show, that all which their Directors had so nobly contended for was warranted by the experience of ages, and by the declared sentiments of the profoundest Statesmen, not excepting his Majesty's Ministers themselves. It was true, that by a recent recession from those sentiments, they had placed the Company in a very awkward and painful situation; but he had a right, in argument, to avail himself of their previously declared opinion, and should do so, leaving the world to judge of the validity of those motives, to which they would most probably ascribe the alteration. It

to the justice of their fellow citizens, as well as to his Majesty's Government and to Parliament, that they shall receive that liberal treatment, which they regard themselves as so eminently entitled to at the hands of their Country.

And that the Directors be requested to report their proceedings, from time to time, to this Court.

That this Court cannot contemplate the essential change proposed in the constitution of the Company, by an unrestrained trade to and from India, without great concern and apprehension; not so much on account of the injury to which it will subject the Company in their commercial privileges and profits, as on account of the tendency which such a change must have to affect the system established by the Legislature, for the civil and political government of the Company's territorial possessions, whilst it is not at all likely to afford to the commercial interests of this Country the advantages expected from it.

Should, therefore, the opening of the trade to India be the ultimate determination of Parliament, this Court cannot but express its hope, that all due care will be taken to accompany the enlargements which shall be given to individuals in the Indian trade, with such regulations as shall most effectually guard against the dangers to which those enlargements might expose the existing system of Indian administration.

was not surprising that when this change was first announced to the Proprietors at the last General Court, if they should have expressed themselves with warmth, at a conduct which they not only considered as a departure from those principles which were understood to have been agreed on between his Majesty's Government and the Company, but as treating the Company on the part of the public with ingratitude and injustice. The Proprietors were now however met, finally to make up their minds as to what line of conduct they should adopt under the circumstances in which they found themselves, and with reference to the whole of the papers laid before them. He trusted, therefore, that they would pursue their deliberations with that calmness which could alone invest them with dignity; with that dispassionate and patient investigation which could alone give them weight with the public; and though a question of high political consequence, he trusted that nothing like party feeling would be discernible in its discussion; he had had the satisfaction of observing, much as that spirit might rage elsewhere, that it had not for many years disturbed that Court, not that the Members of it could be supposed insensible to political predilections they were in general persons too well educated, and of too high a station in society to be supposed free from such impressions; but they had always thought it most becoming to confine themselves within the character which the State had been pleased to assign to them, and to limit their debates to the commerce and to the government of India. He

had no hesitation, for his own part, in avowing the sense which he entertained of his Majesty's Ministers; he thought highly of the endowments of several of them, and he believed their integrity to be unquestionable; but, upon the present occasion, he should speak of them as they appeared to him through the medium of the negociation before the Court; yet, while he treated them with freedom, he hoped he should not depart from due respect; he would make no observations but such as the printed papers warranted, and as the resolution which he meant to have the honour of offering to the Court would be grounded upon those papers, he should have occasion frequently to call their attention to the leading points which they contained; he must do this somewhat minutely, being anxious that their adversaries might not have it in their power to charge them with wandering either in their resolutions or debates from the known facts and recorded documents of their case.

Before he commented upon the papers, Mr. Jackson said he would shortly notice the numerous petitions which had lately been presented to the Houses of Parliament; many of them undoubtedly deserved great respect and attention for the able and enlightened expositions which they exhibited; while others of them teemed with every species of absurdity, mixing up the leading topics of popular complaint without order or discrimination, and that in a manner which showed to demonstration that they were the result of artful excitement, procured with the most malignant motives, and containing

doctrines but little understood by those who signed them. Some of them had indulged in the wildest theories, and instead of reasoning upon the probable extent of Indian export and import, talked of the inalienable privileges of human nature, and the imprescriptible rights of man! treating all colonial regulation, as at best but qualified usurpation, and contending that every British Subject inhales with his first breath, a right to trade to every part of the British dominions, and to traverse Bengal Bay, Botany Bay, or any other bay, without let or hindrance from the parent state! He was sorry to hear that such doctrines had found an advocate in an eloquent Member of the Upper House, a Noble Lord, who had formerly been one of the most ardent champions for social order; but who upon this occasion (such seemed to be the fate of ardent minds) was found ranged on the side of the opposite extreme! These Petitioners, he was informed, had numerous delegates in London, who formed general and sub-committees, which had not been inaptly called committees of coersion, whose functions, besides procuring petitions from every hole and corner of the United Kingdom, were to canvas and cross-canvas Members of Parliament: and when personal applications in London failed, then to procure a broad hint from some of their constituents in the country, as to which way it was expected they should vote; so that there, perhaps, never was a great public question on which Members were less free to follow their own cool and unbiassed judgments, than that which related to the prolongation

of the Company's present right of trade. He himself (Mr. Jackson said) felt less apprehension from the petitions than many other persons; they would have but their day. The actors had over-acted their parts, they had already disgusted the audience, and, he had no doubt, would soon think it wise to withdraw a great proportion of their pretensions from that sound understanding, and true discernment, which he had never yet known to fail the British Public, after it had had time and the means of duly examining both sides of a question.

With regard to the documents on their table, Mr. Jackson said, he was glad to observe that nothing more was said respecting the Indian Army, and he hoped the fate of the Empire was not about to be tampered with, respecting so mighty an engine of its defence; he should, therefore, regard that part of the nogociation standing as it did when he had the honour of addressing them at the Court before last, and consequently forbear any observation upon the subject. As to the trade of the Company, the main proposition of the Directors was, That the commerce of the Company, and the government of India, were absolutely inseparable: they had been born and bred together; they had grown with each other's growth, and strengthened with each other's strength; they had fed, nourished, supported, and considering the difficulties which their commerce had encountered and subdued, he might add, fought for each other; united, they formed the grandest and most stupendous edifice the world had seen; separate them, they will crumble and fall,

and with them the resplendent glory of our Country, thus shorn of its brightest beam. Such he would show to have been the opinions of most able Statesmen, and such was the influence under which the Directors evidently wrote their letter of the 16th December, 1808, which might be said to be the first material paper. That letter professedly avoided "any detailed specification" of proposal, but desired to offer "suggestions of a general nature, as the principal foundations on which a new agreement between the Public and the East India Company might be placed." It said in substance, but, as he thought, in less assuming phrase than the facts warranted, "It is now upwards of a century that the East India Company have acted under a charter distinctly defined, sanctioned, and continued by various acts of the Legislature: during that period, notwithstanding we have had difficulties to encounter, and expenses to struggle with, which must long since have overwhelmed and annihilated any other concern, or any other people, we have acquired for our Country, not for ourselves, for we have rarely derived more than common interest for our money, the most splendid territories upon the face of the globe; we have obtained for you sixty millions of subjects, to whose happy situation, attachment to, and entire confidence in us, we refer you for the character of our Government; they swell our armies, they venerate our laws, and choose us for their judges. These territories yield a gross revenue of sixteen millions, and Ministers have thought their capacity for yielding an annual net surplus of a million sterling a moderate calcula-

tion. We maintain an army of 150,000 men, we will only say of them that by their means all India is kept in peace towards the Company; however, the native Princes may molest each other, the name of England is its shield, the most powerful Sovereigns of India acknowledge our superiority, each European Power has been removed in succession, and though it is not many years since France disputed with us the palm of Oriental rule, not a Frenchman remains in India. The domestic benefits which we have been enabled to confer on our Country are of no ordinary description. We and those connected with us have exported through the medium of the Company, £2 320,000 per annum, besides the privileged goods of Commanders and Officers to a considerable extent; and our imports have netted, in duties to Government without risk, trouble, or material expense, upwards of £4,000,000 per annum! Our tonnage amounts to 101,797 tons. Our trading ships are men of war, and so armed and navigated as successfully to have coped with the ships and frigates of the enemy; their crews consist of one thousand six hundred accomplished commanders and officers, and of eight thousand seamen for whom our trade is a perpetual nursery. We besides maintain in this great City a prodigious Establishment; and numerous, indeed, are the families who owe their reputable means of living and their comfort to our well-conducted commerce. Is it too much then to ask of his Majesty's Government, (not, we repeat, so much for our own sakes, as for the sakes of the thousands and tens of thousands

that depend upon us, and whom we are bound by every tye of honour, gratitude, and affection to protect) "that we may be allowed to continue our course, a blessing to our Country beyond all historic example, the wonder of Europe, and the envy of its malignant Master."—Such was the prayer and such the general pretensions of the Company on opening the negociation. He would, however, state the first proposition which that letter contained, *verbatim*, in order the better to apply the answer which followed. The Directors say, "The system by which the Ligislature has continued to the Company the government of the territories acquired by it in the East, *with a regulated monopoly of the trade*, has been held by the most eminent persons conversant with that quarter and its affairs, to be the most expedient both for the foreign and domestic interests of this Country."

Lord Melville's reply is dated the 28th December, 1808; to this part of the Directors' letter he says, "Concurring *in substance* with the proposition contained in the first article, I shall not enlarge upon its details. I have not yet heard or read any arguments against the continuance of the system under which the British possessions in India are governed, of sufficient weight to counter-balance the practical benefits which have been derived from it, in their increased and increasing prosperity, and the general security and happiness of their inhabitants." He adds, "any alteration, therefore, which may be suggested in this part of the system, will probably be *only in its details*." Thus it is plain, continued

Mr. Jackson, that Lord Melville admits the increased and increasing prosperity of India. The only alteration which he contemplates in their commerce he explicitly states to be, "That merchants and manufacturers shall trade to and from India and the other countries within the limits of the Company's exclusive Charter, in ships or vessels hired or freighted by themselves, excepting the *the dominions of the Empire of China.*" He concludes with an assurance, "that it will be the earnest desire of his Majesty's Government to suggest to Parliament such a *system only*, as shall be conformable to the *principles on which the regulations of* 1784 *and* 1793 *were founded.*" Now, the leading *principle* of 1784 and 1793 was well known to be the conducting of the trade of India by a "well-regulated monopoly." The eminent Statesmen of those days held that opinion, and particularly the Noble Lord's father. Mr. Jackson said, he used the term *monopoly* because he found it there, and by way of distinction; but it was a solecism to call that trade a monopoly which admitted the whole Country to a partnership in its eventual gains, as provided by the Act of 1793, and other acts; and which allowed any merchant or trader to export to, or import from, India, an extent considerably beyond what had ever been claimed. For the Act of 1793, a fact not generally known, so far opened the trade of India as to allow Private Merchants the privilege of trading thither, and consigning to, and receiving from, their own agents, to the amount of three thousand tons per annum; this privilege, he believed, was unknown

to much the greater part of the Petitioners, who he apprehended, were still less aware, that out of this three thousand tons, not more than one thousand two hundred and eleven tons per year, on an average of eighteen years since 1793, had been claimed, and of this, on an average, four hundred and thirty tons per year were of wine and beer, though unlimited permission was now so loudly demanded: nothing appeared from the letter alluded to, to show that even indiscriminate *export* was intended, or that the ships of Private Merchants should proceed from any other port than that of *London*; and as for any other kind of *import* than through *London*, he believed it had not then been thought of; on the contrary, Lord Melville declared the principles of 1784 and 1793 to be his groundwork, with which such mode of import would be entirely incompatible. This declaration, Mr. Jackson said, had come from a man of no ordinary ability, one who was known not to commit himself lightly, who seldom acted without proper deliberation, and who, however unassuming in himself, perhaps yielded to few in the wisdom of his conclusions. Mr. Jackson said, that before he proceeded to show how inconsistent a late communication was with this letter of Lord Melville's, whose principles it went not to regulate, but totally to subvert, he would notice another part of his Lordship's letter, which fully warranted what himself had said at a former Court respecting an increase of dividend; he had been much misapprehended on that subject, and particularly by an honourable friend of his (Mr.

Geo. Johnstone), who had treated his argument as if he had proposed to stipulate for an immediate increase of dividend, whereas the objection which he had taken was, that the negociation neither stipulated for any present or prospective advantage to the Proprietors; and as it now stood, they might go on for twenty years more without the legal possibility of deriving any; he had observed on that occasion, that the former negociation of 1793, which took but a small part of the exclusive trade away from the Company, commenced with a proposition of an increased dividend of two and a half per cent. which it grounded upon an expected surplus from India; it was evident that the same expectation existed in the present Lord Melville's mind, and that he also thought that the Proprietors should not be kept thus out of sight. Lord Melville says, in this same letter, "I think it very desirable that no measure should be adopted, in the renewal of the Charter, which would have the effect of reducing the value of the capital stock of the East India Company, *and that due care should be taken to secure their proper share of advantage, in any future amelioration of their affairs.*" That his Lordship looked for such an amelioration was evident, from the following sentence: "The most sanguine expectations of a result even more favourable (that is, than bringing the expenditure within the income), and of a large surplus revenue above your ordinary expenses in time of peace, have recently been conveyed to you by Lord Minto." In a subsequent letter is again expressed the confident expectation of a considerable surplus; surely then it was but

reasonable to require that some provision should be made in any act which might pass, that the Proprietors, the real merchant adventurers, and owners of the whole concern, should not be the only persons forgotten in the arrangement. He had not meant absolutely to contend for a present increase of dividend, equitable as it might be; but as the Indian debt had notoriously been contracted for political purposes, for the advantage of the Country, as well as by its orders, and that even a part of the profits of their commerce had aided its liquidation, he thought it but common justice, that when a certain portion of it had been paid off, say five millions, an increase of dividend should take place out of the next surplus, and so on progressively in proportion as they should discharge that debt. As for a remission of the property-tax, he had not approved of applying for it upon the present occasion; he thought that the saddling it personally upon the Proprietors might at the first have been avoided, but he thought it now, if meant by way of satisfaction, not worth their acceptance, and beneath their entreaty; while the other mode which he had suggested was a broad and a fair proposition, which he should think it grossly unjust to resist.

He had before observed, that although Lord Melville had intimated, as a *sine qua non*, that the goods and ships of private merchants should be admitted to trade with India, no demand had yet been made that they should be permitted to proceed indiscriminately from the *Outports*, a measure which the most experienced persons believed to be big with danger to our Indian empire; an

exception had been made even as to their trading at all with the Chinese dominions, an exception which Lord Buckinghamshire's letter had since in fact overruled, for whether such trade should be direct or indirect it was the same thing; if admission to those seas were conceded, the Company could not go on with propriety a twelvemonth longer. Mr. Jackson said he would go regularly through the papers, which would clearly prove, that the idea of indiscriminate *import* had been but recently taken up; how produced, or under what influence, was not for him to say.

The next material paper was the letter of the Chairman and Deputy Chairman, Messrs. Grant and Parry, dated January 13, 1809. It was quite impossible for him (Mr. Jackson said) to do justice to this paper; it contained a most masterly review of the whole question, so much so, that no person who should read it, could well plead ignorance hereafter. Its reasoning was so clear and dispassionate, it contained so much sound sense, and true British philosophy, as well to entitle it to the praises which it had universally received, and to the impression which it was known to have made upon reflecting and impartial men. As many of the propositions contained in that paper were found among the subjects of subsequent discussion, he should not then enter particularly into its contents; suffice it to say, that it seemed irrefragably to prove, that the only safe way of letting the private merchant into the trade of India, was through the medium of the Company's shipping, and subject to the

wholesome regulations of the Company's own commerce; and that any other mode, for the reasons therein set forth, would be extremely perilous to the interests of the Country; it showed the means and the energies which had been employed to force a greater export trade to India, and satisfactorily proved the moral impossibility of further extension, among a people whose habits of life admitted but of so limited a use of European manufacture; it showed any material increase of *import* to be equally unlikely, and exposed the fallacious grounds upon which hopes of a different kind were built, and how certain they were to end in disappointment, though perhaps not till irreparable mischief should have been done to that settled system, which had hitherto proved so wonderfully beneficial to the Country, that it would in fact be opening the trade to all the world; that smuggling would be the leading pursuit, and rise above all control; that colonization, with its long prospective train of political evils, would necessarily ensue; that the China Trade, that staff of the Company, must consequently fall; and that, in short, so completely would the indiscriminate opening of the trade subvert those principles of 1784 and 1793, which Government had professed to consider as its landmark, that "with the prospect of all these consequences commercial and political before the Court, it is impossible that they, as faithful guardians of the interests committed to their care, or as men truly solicitous for the welfare of their Country, could advise their constituents to seek a renewal of their Charter, on conditions which would

despoil it of all its solid advantages, deprive the Company of their most valuable privileges, and incapacitate them from performing for themselves, and the nation, the part hitherto assigned to them in the Indan system."

This letter seemed to have had great and deserved weight with his Majesty's Government, as Lord Melville, in his next, dated December 17, 1811, refers to it without pressing any one of those points which had been thus strongly objected to, but declares his readiness to discuss with the Directors the *details* of the system ; "if they are willing, that *the ships* as well as goods of merchants may be admitted into the trade with India, under such restrictions as may be deemed necessary." This was the condition which he had laid down from the first ; to this he had uniformly adhered, but up to that hour it had been on no occasion required by Government that such ships should be allowed to proceed *indiscriminately from the* OUTPORTS, and the Directors still hoped, that the evident peril of such a licence would prevent it from being conceded ; indeed, it was evident that his Lordship at that time contemplated only the single change of admitting the *ships* of Private Merchants, as well as their *goods*, he makes it a preliminary to the arrangement of the debt itself, saying, "If the Court of Directors are willing that these discussions, on the renewal of the Charter, shall proceed in so far as relates to the question *of the trade*, on *the principle to which I have adverted*, I shall be ready to receive from you

any suggestions you may have to offer on the subject of the debt," &c. &c.

The next paper of importance was a letter of March 4, 1812, from the Chairman and Deputy Chairman, Mr. Bosanquet and Sir Hugh Inglis. This letter, Mr. Jackson said, was likewise written with great ability; it indicated a thorough knowledge of the subjects on which it treats, derived from that best of all sources long experience, and the writers of it fortify their statements by a variety of accounts, showing the imports and exports of India, through the different mediums of the Company; of their commanders and officers; of private traders; of Americans; and of foreign Europeans; with their respective proportions of bullion, and of goods and stores. In this paper is exhibited what is called the *outlays* of the Company at home and abroad; and their various contributions at different periods to Government, either by way of aid to their Country, or in consideration of the Charter; which appear to have amounted, from the year 1768 to 1812, to the sum of £5,135,319; and it concludes with an account of the duties of customs and excise on goods imported and exported by the Company, which for the year ending Jan. 1811 amounted to no less than £4,213,425! This letter begun with assuming it to be the final determination of Government "that the trade with India should be extended to the *ships* as well as *goods* of Private Merchants, under such restrictions as might be deemed necessary." The Chairmen repeat the solemn conviction of

the evils which must follow such a measure; they express the reluctance with which they shall be obliged to offer it to the Proprietors, with whom alone the power rests of consenting to such a fundamental change in the constitution of the Company." But "the Court hopes that in the extension of the trade which the Company now enjoys, his Majesty's Ministers have not had in view the hazardous experiment of dispersing over all the Ports of England and Ireland a trade now brought with so much advantage both to the Company and the Public to the single *Port of London*." It was plain therefore that up to this period the *indiscriminate import* lately called for, had not even been intimated; so far from it, he would show from the next paper to which he should refer, that it was expressly, and in terms, declared, not to be the intention of Government to allow it. It was observable (Mr. Jackson said) that this letter noticed, and refuted, two of those subjects of declamation in which their adversaries had so much indulged; the one was a charge that they called upon the public for sums of money to enable them to prosecute ruinous undertakings; the other was a convenient allegation, that the Company gained nothing by its commerce, and that consequently it ought to be less tenacious of its preservation. The Chairmen answered both of these points, with great force and equal simplicity; they show that so far from our requiring public aid for our *commerce*, our need has arisen out of that political course which the Public had directed, through its Government, to be pursued, and to satisfy debts which

their commands had thus created, but that the *commercial affairs* of the Company, which were all that were now left to their unrestrained management, had produced advantages sufficient to allow of a moderate dividend to the Proprietors, over and above which, a surplus has been applied, arising from this source, towards the extension of that territory, the acquisition of which has been under the immediate direction of his Majesty's Ministers." A statement then follows, which shows the skill with which the Company's affairs must have been managed, to have carried on so vast a Concern with so limited and so unequal a capital. When it is recollected that the East India Company rank higher for the punctuality of their payments and general credit than almost any other Concern whatever, public or private, this consummate skill, and its effect, can perhaps be only attributed to that system, which ages had consolidated, with high integrity for its foundation, and experience for its guide; yet such was the system which it was now sought to subvert and utterly to overthrow!

The remainder of this enlightened paper, again brought to view the train of advantages which the Country has derived from that stupendous object of its own creation, called the East India Company, and aptly enforces, among other considerations, that "the whole of a vast revenue has been brought into the Exchequer of the Public, without the Public having been called upon for any direct contribution for the preservation of the source from whence such advantages have had their rise."

Another most important observation presented itself from the perusal of this document. It contained, among other information, an account of the American Trade to India, which seemed to prove beyond the possibility of doubt or contradiction, that the *Export* Trade to India and its dependencies has already been pushed as far as it would admit of. The Americans were known to sail to the Indian seas under every possible advantage; they united great skill and enterprise, with two of the most decisive qualities for commercial success, rigid economy, and avidity for gain; they were under no restraints in seeking a market, but had access to every port or creek in India or the Eastern Isles; and though there was scarcely a place of the least note in which the Americans had not made their appearance; yet, with all these advantages and incentives, they had not been able in six years to export more than £667,654, in merchandise and manufactures including those of their own country, to £4,543,662 of bullion, which article generally averaged about seven-eighths of the amount of their Indian export. The Americans had vast depôts of British Manufactures among themselves; they were continually in this Country, where they could obtain them to any amount upon almost unlimited credit: the profit upon them, if they were really in demand, must, in the nature of things, be much greater than that upon bullion; the policy of exporting the wares of their own country must be as evident as with us, and yet such was the miserable portion of British and American goods in their

aggregate Indian export. The reason was obvious: the almost only consumers of British manufacture were the European Residents; the market for their supply was frequently glutted, as the Company themselves annually exported upwards of one million of goods and stores, their Commanders and Officers nearly half a million more, and the Private Traders, who were let into the Indian Trade by the Act of 1793, about £400,000. Compare this considerable export with the wants of the Europeans in India, and it was plain that they were fully supplied. It was equally plain that the British manufactures have already all the orders which India can furnish, with this difference, that at present they work for long-established and settled connections, but, if their petitions be complied with, they must themselves become the merchant Adventurers, or trust their property to persons of a very different description from those who were now their customers. Persons who reflected for a moment upon the natives of India, their climate, their habits, manners, and religions, must be convinced that no attempt could force or seduce them into the consumption of European manufactures; nature, taste, and a capacity for purchase, were all against the probability. But even this experiment the Amecans had tried to the utmost, and the amount of their manufactured exports showed it to have failed. Did this then, he would ask, afford any prospect of advantage, to be for a moment balanced against the known and admitted perils of indiscriminate access to India? and did it not completely confirm

the opinion declared by their Directors, that ruin and disappointment must fall upon the speculators in such a trade, after all the mischief which may have been occasioned to the Country and the Company by the licence allowed to them? Nay, he would show from a succeeding paper, that such was the expectation of Ministers themselves, though unfortunately they seemed about to give way to the rash and perhaps fatal experiment.

Mr. Jackson observed, that he had stated that up to this period Government had not unfolded any purpose with respect to their trade beyond that which Lord Melville had declared as *the principle*, upon the concession of which he would only commence discussions as to *details*. At this period (the 2d March 1812), the Deputation of Directors presented to his Lordship a string of twenty-five propositions, entitled *Hints*, as was done in 1793; they were all of great importance, but he should only notice such as bore immediately on the question of *Indiscriminate Private Trade*, and he would show from them that the Directors did not then understand it to be the determination of Government that the ships of Private Traders should proceed even *outwards*, otherwise than from the *Port of London*, and that *both* Government and the Directors, decidedly, emphatically, and in terms, agreed, that the China Trade should not be put in hazard, but be left upon "its present footing." Its present footing was known to be a direct, unequivocal, exclusive privilege, without the enjoyment of which, they had been fairly told by the Direc-

tors, that the Company could not continue to pay its dividends, or discharge its functions; in short, it could not go on; or, if it should go on for a year or two, or more, it must be under circumstances of progressive and increasing weakness. Whatever might be the fate of the Company, no man could say that the Directors had not spoken out; it was under, and on account of such an intimation, that the Court was now met, and the plain English of the question for their deliberation was, Whether they should begin to wind up their affairs now, with all the legal advantages which they still possessed, or a very few years hence, when comparatively destitute of strength, and much less able to cope with any disposition there might be to oppress them? Whether their exclusive trade to China should be affected immediately or consequentially, it must be equally fatal to their commercial existence.

The Deputation offered their first three Propositions in the following terms:—1. " No British or Indian ship to sail directly or circuitously from a British Port in Europe to China."

2. " No British Subject to be permitted to reside in China, without the Company's licence."

3. " No goods the growth or produce of China to be *imported* into any Ports of the United Kingdom, except by the East India Company."

It should be observed, that Lord Melville's answers to these Propositions, are not like his first intimations, such " as have occurred to him," but not, " matured in concert with his Majesty's confidential servants;" these answers, on the contrary,

profess to convey "the sentiments of his Majesty's Government on the several points to which the propositions relate;" and the Court was now to judge what in candour and plain dealing those sentiments amounted to.

In answer to the three first propositions, Lord Melville says, "1st, 2d, 3d, It is deemed advisable, and with a view to the security of the Revenue, and to other objects connected with the Trade to China, to leave it *on its present footing*, and to guard, by proper regulations, against any encroachment on that branch of the Company's *exclusive privilege*." —"Its present footing" (Mr. Jackson repeated) was a secure footing, arising from the positive prohibition to any private British Subject to import a single article from China, or even to sail into those seas, or into any of the Company's Eastern territories, without their permission.

The Deputation of Directors, by the frankness of their Propositions, had put all ambiguity out of the question, and left no room for doubtful construction. Their sixth Hint comes immediately to the point as to the *Import Trade*. "6th. The whole of the Indian Trade to be brought to the *Port of London*, and the goods sold at the Company's sales, and to be, as at present, under the Company's management." Nothing could be more explicit than the language of this proposal; the answer given by Lord Melville, in the name of his Majesty's Government, was no less so. Nothing like doubt or hesitation appeared, but full and perfect admission of the validity of the suggestion and consent to its

adoption. "6th Answer:—The adoption of the regulation suggested in this proposition, will probably tend to the security and advantage of the Public Revenue, in collecting the duties on all articles imported from the East Indies and China, as well as other countries to the eastward of the Cape of Good Hope." Here was a direct agreement and understanding between the Directors and Government, that all Indian *Imports* should be to the *Port of London*. How, without a most extravagant violation of all rules of construction could a departure from this important and vital principle of the negociation be now treated as an "alteration in the *detail* of the business?"

The Directors offer their Eighth Proposition in terms equally explicit; and though the answer is not favourable, it is equally frank and intelligible; the Directors still adhering to the opinion which they had so seriously taken up, and so well supported, as to the deep impolicy of *indiscriminate export*, propose,

8th. "No private ship to be permitted to sail *for India*, except the *Port of London*."

Answer.

8th. "There does not appear to exist sufficient reason for preventing ships from clearing *out* for the East Indies from *other Ports* of the United Kingdom, besides the *Port of London*."

But aware of the danger to which such permission would expose the China Trade, the Directors pray, in their Twenty-fifth Proposition, that such ships may not be allowed to sail further eastward and northward

than certain points. The answer to this proposal still shows the understanding that the China Trade should not be placed in any predicament of danger. Lord Melville says, If this object "can be obtained by exclusion from the Dominions of the Emperor of China, and a prohibition to import the *Produce of that Country* without a licence from the Company, it *will be preferable* to the mode herein suggested," clearly admitting that if the China Trade cannot be put above hazard by any other mode, private ships should be totally excluded from the Eastern Seas.

The letter from Lord Melville, which accompanied these answers was dated the 21st March, 1812, his Lordship, as Mr. Jackson had before observed, declares them to be "the present sentiments of his Majesty's Government;" he adds, "public discussion on such an important question may possibly produce an alteration of opinion on some *of the details*, and though the subject *has been fully considered*, it may be deemed necessary, in the further progress of the measure, to propose on some points *regulations* of a different description from those which are suggested in the enclosed observations." His Lordship, in the subsequent parts of this letter, clearly shows that he himself continues of the opinion which he had expressed in December 1808, that the principles of 1784 and 1793 ought to be the basis of the agreement; that every departure from them has been against his better judgment and that he concurs with the Directors, and with every thinking man acquainted with India, that

disappointment must follow even the concession to which he has yielded, he says, "You will do me the justice to recollect, that in all our discussions on this subject, both recently and on former occasions, the admission of *the ships* of Merchants in this Country into the trade of India, in concurrence with those of the Company, has never been urged as a measure, from which much immediate benefit would, in my opinion, be derived, either to the *Country* or to the *Individuals* who might embark in the speculation; and I certainly am not without *considerable apprehensions* that at least on the first opening of the trade, the public expectation, as to the British territories in India affording any considerable outlet for British manufactures, beyond the amount of *our present exports*, may *be disappointed*." Could there be a more significant admission, from a Statesman, that he was yielding to clamorous solicitation that which his judgment would withhold? He further admits himself fully to concur in the apprehensions of the Directors respecting the "unrestrained intercourse of Europeans with the territories of the Company or of the Native States in India," and allows that it will be the duty of Parliament not only to consider "whether it may be *safe* to prolong the whole or part of the Company's monopoly, but whether it may be *unsafe* to abridge or abolish it." In short, let any person connect the sentiments contained in this letter with those in his Lordship's letter of the 28th December, 1808, and it will be impossible to doubt, but that he agrees, cordially agrees, in the opinions of his eminent

Father, which Mr. Jackson said he should presently quote, namely, that the principles of 1784 and 1793 were the true, sound, political principles for the Sovereignty and Trade of India, and that in order to insure the preservation of both, the mode of the latter ought to be what has been styled "a well regulated monopoly."

The next, and indeed the last, letter from Lord Melville, who soon after quitted the India Board, was dated 23d March, 1812, which Mr. Jackson said he referred to, merely to prove that his Lordship uniformly contended, that from the reduction of expense which had already taken place, and which still might be effected, "a confident expectation might be entertained, of a large annual surplus available towards the reduction of debt." This was on all hands admitted to be a political debt, incurred by territorial acquisition and defence, which purposes it had been shown had been materially forwarded and aided from the profits of their commerce; surely, surely, it was not too much to ask from reason and justice, that as this debt should be progressively liquidated, some advantage should be extended to the Proprietors beyond the common interest of their money!

He had now (Mr. Jackson said) travelled through the first set of papers, and he thought they strictly warranted, the Directors as to the conclusion which at that time they believed themselves to have come to with Government, and which had been so forcibly and emphatically stated by their late Chairman, Mr. Bosanquet, namely, that their army and the

China Trade were to be left entire, unmolested, and unexposed. And that, although the *Ships* of Individuals were to be let into the Trade of the Company, there still remained hope that Government would be convinced of the wisdom of confining their *outfit* to the *Port of London;* but that at all events it was understood and agreed in the language of the Sixth Proposal, the answer to which he had read to the Court, that "The whole of the Indian Trade was to be brought to the *Port of London*, and the goods sold at the Company's sales, and to be as at present under the Company's management." Such had been the communication made to the Proprietors by the Court of Directors, and such was the impression under which he himself had opened the business of the General Court on the 2d of last month.

It would now (Mr. Jackson said) be his painful task, to notice the subsequent part of the negociation as it appeared from the second set of papers which had been laid before them at the last Court, from whence it would appear that Ministers had since unfortunately taken another view of the subject.

The first document material to the question (Mr. Jackson said) was the Resolution of the Court of Directors dated the 9th of April. The annual election was then over, new Chairmen had succeeded, as well as other Directors, and a new Deputation was now appointed to confer with his Majesty's Ministers. A minute dated the 13th April, appeared stating, that the Chairman and Deputy had had a conference with the Earl of Buckinghamshire on the preceding Tuesday, the

7th instant. It was fair to suppose, that the letter he was now about to observe upon, which was from the Deputation to his Lordship, dated the 15th April, must at least refer to the then state of the negociation. The Deputation apprise his Lordship of the recent Resolution of the General Court, and propose to themselves the honour of continuing the correspondence. They notice the opposition which had begun to shew itself to propositions, "respecting the necessity and importance of which his Majesty's Government and the East India Company appear to have entertained similar sentiments," and desire leave to remark "on the outlines of the negociation as far as it *has hitherto advanced*;" they again express, in terms as manly as disinterested, their deep conviction as to the ills which must follow the opening of the trade, and their firm belief that the commercial advantages expected from that measure will not take place, while it may eventually endanger the security of the British possessions in the East. They say, "We must desire, on the part of the Court of Directors, distinctly, and in the face of the Country, to state this opinion, not as advanced without conviction to serve a cause, but as the genuine result of such knowledge and experience as the Court possess upon a subject respecting which they have better means of information, than any of those associations who are now eager to take full possession of the Eastern Trade, and upon which also it is certainly material that the Public should form just ideas." J[illegible] [illegible]ng of the to enable Government and the Public to for[illegible]ation of

just ideas, the Deputation take a masterly review of the whole question, such a one, indeed, as he (Mr. Jackson) should have thought would remove each particle of doubt from every impartial and reflecting mind. They observe, that till lately the Private Merchants affected only to ask for such portion of the Indian Trade as the Company's Commerce did not embrace, but that now they in fact sought a transfer of the Company's own Trade to individuals in the *Out-ports*, and they impute the extravagant and increasing demands of the Petitioners to the too easy concessions of Government in the first instance. They show the absolute impossibility of separating the Government from the Commerce, a proposition for which he should prove they had the highest authority, and are confident that it cannot be the intention of Ministers to break down and despoil the latter, it being of such vital importance to the Empire of India, they trust, therefore, that the wisdom of Parliament and the justice of the Nation will resist those rash and violent innovations, evidently suggested from a deplorable ignorance of facts. They again refer to the propositions which had been made to Government, and to Lord Melville's answers; they examine them respectively, *seriatim*, and at large, particularly those which relate to the *export* and *import* of Private Traders. Upon the subject of the China Trade, they observe, that great as the question of revenue is, that is not the only Deputy be considered. Justice to the Company, Buckings as obligatory a consideration. The China

trade had been given to them by the nation, for national purposes, and to such it had been most beneficially and faithfully applied. They show that competition in this trade would prove hurtful to the public interests. The corporate capacity of the Company, say they, was given to them in perpetuity: they must, at all events, be formidable rivals to any new adventurers. The Company already supplied tea enough for the whole United Kingdom, and they exported to China in the metals and woollens of this country to the annual amount of a million sterling, though frequently at a loss to themselves. The Chinese would raise the price of their articles as soon as competition should appear, while ours would, for the same reason, fetch less; a struggle between the Company and Individuals, contiune the Deputation, must produce ruinous consequences to both. The jealousy of the Chinese Government would soon be awakened by the ingress of indefinite numbers of unconnected Englishmen. It was already either so indifferent to European intercourse, or so suspicious of it, that it allowed but one port throughout its vast Empire, to that purpose; and even from that it banished the Europeans to Macao; as soon as the ships had sailed, disorder must follow indiscriminate access to those seas, and general exclusion from Canton would as certainly succeed, and involve in its consequences four millions of revenue! a million of export! the employment of a large and most excellent fleet of ships, each of warlike equipment! the ruin of private speculators! the palsying of the functions of the Company! and the deprivation of

an article which had now become to all ranks of British Subjects a necessary of life!

Upon the dangers of the ships of private Indian traders being allowed to *proceed from* and *return to* the *Out-ports*, the Deputation are in this paper equally clear, emphatic, and convincing. They show that from the first institution of the East India Company its trade had used the *Port of London* only: and that the open, honourable, and satisfactory mode of selling all their imports to his Majesty's Subjects by public auction, is nearly coeval with the Company. They state the endless frauds and injuries to which altering this mode would open the door, considering that the Indian trade comes now in fleets, at stated seasons, and that the sales are at stated periods, which are well known to the merchants of Europe, who frequently resort to them in person, and are thence led to the purchase of many other articles, and consequently to the enlargement of British connection, or if that be not convenient, they know that through a broker, they can purchase upon precisely the same terms as if they were citizens of London, and present in the sale room.—So high was the Company's character with foreign Merchants, that purchases were made by them "on the faith merely of the descriptive marks; and goods on their arrival on the Continent frequently pass through various hands, before they are finally unpacked." They truly add, "nothing so effectual could be devised for that security (meaning the Revenue), as to bring the *imports to one place;* to have them lodged under

the keys of the Government Officers; to have them sold publicly in the presence of those Officers; and finally to have the duties (upwards of four millions per annum), thus carefully ascertained, collected through the medium of the Company, and with hardly any charge to Government! In short," say they, "the present system affords the most complete provision that can be imagined against defect, fraud, or expense, in realizing this branch of the revenue to the Public." How different, they argue, would be the case, if all individuals were allowed to import into all the *Out-ports* of the Kingdom, especially with small ships that could run into obscure ports in the remotest parts of England, Scotland, and Ireland?—Control would be impracticable. Legions of Custom-house and Excise Officers would be appointed, in spite of whom smuggling without end must be expected. If private ships were allowed to go to the *Eastern Islands*, they could find means to procure the article of *Tea*, and if also allowed to return to the *Out-ports*, smuggling would be by far the most gaining trade, and in fact, however covered or disguised, would be the real and principal object! The certain consequence must be, a very great and serious abridgement of the Company's sales, and, if so, the Company's finances must sink, their great establishments be given up, their vast fleets, which at present were the means of transporting troops, stores, and warlike means to India, must be laid up, their buildings, wharfs, warehouses, and other articles of dead stock formed at a prodigious expense, and suited only to the Indian Trade which had so

long been theirs, must become useless and deserted! and all this (supposing the best) in order to transfer the same quantity of oriental commerce to the *Out-ports*, an advantage so fatally overbalanced by the evils enumerated, and by the uncontroled intercourse of Europeans with the East, a consequence which no regulations could prevent or avert. Surely, they say, such objections ought to be very clearly and satisfactorily answered, before so great a change is attempted, before a Concern which has subsisted for ages, and so succeeded as to be the wonder and envy of the world, is subverted and destroyed, either on the instigation, or theoretical reasoning of men, whose avowed object is the possession of that trade which they propose to take from the Company. The Deputation then remind Government, that they pointed out three years ago the effects of so great an innovation to the President of the Board of Control, and they conclude from his silence that he admitted those effects would, as they had stated, "amount to the destruction of the Company's Indian Trade, their Indian commercial establishments, their Indian shipping, and finally leave the China monopoly so insulated and unsupported as to bring that down also, and with it the whole fabric of the Company."

Upon the 14th Proposition, which asked that no private ship of less than 400 tons burthen should be admitted into the Indian Trade, the necessity of which prohibition Lord Melville in his answer had not agreed to, the Deputation now argue very fully: Mr. Jackson said he had felt some surprise that

Lord Melville had not at once seen the importance of a regulation, which he (Mr. Jackson) thought must appear obvious to others. The Deputation observe, that at a very early period of the Company's history the smaller class of ships were dropped, and none employed of less than 500 tons burthen. That large ships gave a respectability to the British character in the eyes of the inhabitants of India, a distinction which they had strongly noticed in the case of the American ships. That not merely the respectability of the ship was important, but many, even political as well as commercial considerations were connected with the use of large ships. The Officers were gentlemen of education and took rank in society. They had great reputation for nautical skill, their discipline was known and admired, their conduct could be depended on, the vessels were equipped and employed as ships of war, and as such commanded respect for their country, and due obedience to it. The length of the voyage called for accommodations for a variety of officers, such as surgeons, and petty officers, such as carpenters, &c., that were not taken on board small ships, which proceeded to sea without the means of medical and other important aid. That the lives and health of seamen had been found to depend so much on the size of the ships in distant voyages, that even West Indiamen, which accomplished their passage in six weeks or less, were from 400 to 500 tons burthen: that small ships were not under the same kind of discipline, they could go into minor ports, more easily form connec-

tion with the Natives; and their intercourse, and consequent irregularities would be such as neither the vigilance or power of the Indian Governments would be able to discover or control. In short, if a mere chance *outward*, for the sake of smuggling *homeward*, was the speculation and the object of adventurers, undoubtedly small ships would best answer their purpose; but if an honourable commercial intercourse with India was the object of Government, it could only be maintained by ships of a respectable size and suitable equipment as to stores and force, under the conduct of able and responsible commanders and crews.

With regard to the 25th Proposition which asks that private ships may not have access to the Eastern Islands, respecting which Lord Melville in his answer had expressed some reluctance to comply, "provided the China Trade could be secured exclusively to the Company without such restriction." The Deputation show, that private ships having access to the Molucca Islands, could not be important to their owners, with any view to *mere legitimate commerce*, as the Company now grew spices in their own settlements. That one or two of their ships would carry enough for the consumption of all Europe, and that even were it otherwise, Government cannot imagine that the Company would continue to defend and maintain those Islands at a great expense, if the trade in their produce were thus to be taken from them. The Deputation, however, expresses apprehensions of a still more serious nature, and in his (Mr. Jackson's) opinion unquestionably

well founded, namely that this Eastern Archipelago, would hold out irresistible temptations, to lawless European settlement, enterprise, and adventure, before which, the Company's China Trade must sink, as the maritime resort would certainly become the very focus of dangerous and illicit intercourse with the Continent of India!

Such (Mr. Jackson said) was the substance of this most excellent paper, as far as it respected the question immediately before the Court. He had gone more fully into it, in order to enable the Proprietors the better to judge of the letter which he should next notice, *viz.* that from Lord Buckinghamshire, dated the 27th of April, which seemed to take so new, and so totally a different view of the subject, and which was in fact a departure by Ministers from their preceding admissions and agreement, it passed over those detailed and enlightened discussions which had hitherto had so much weight, and into which himself (Mr. J.) had that day so fully entered, in order to convince the Court and through them the Public, of their unquestionable validity; these his Lordship in the name of Government seemed at once to bound over, or discard, and to tell the Company with the brevity of Power, that induced by *recent representation,* His Majesty's Ministers had concluded, that the *imports* from India, and the Eastern Isles, should not be confined *to the Port of London.* The answer of the Directors was equally brief, but it was the brevity of despair!—Then, say they, the Company cannot proceed. It was puerile to talk of pro-

tective regulations, their commercial system must give way, and with it must fall that mighty national Establishment the English East India Company.

As they were now assembled (Mr. Jackson said) to come to some resolution suited to the awful circumstances in which they were so unexpectedly placed, and as he meant to submit to them such a one as would comprise the material points of the discussion, as well as convey to the Directors those Instructions which they so honourably called upon their Constituents to give to them, and as he was anxious, not only that the Public should see that every part of their resolution was grounded on documents of high authority, but that every Proprietor who might honour it with his support, should depart satisfied that he had yielded to no passionate appeal, but to palpable inference arising from plain exposition, he should go particularly into his Lordship's letter, and the Directors' answer to it, which was the last document in the papers before them, and which brought the Court to the fearful point on which they at that moment stood.

It appeared (Mr. Jackson said) from paper No. 48, that Lord Buckinghamshire and Sir Hugh Inglis, their Chairman, held a conversation on Sunday evening, the 19th April, which this Honourable Baronet, had very properly committed to writing; this amounted to no less than a notice "that it was the determination of His Majesty's Ministers to recommend to Parliament to permit Private Ships to clear *out* from *any Port* of the United Kingdom,

but that they should only be permitted to *import* into those places where the warehousing system existed." That is to *import* into various *Out-ports* of the United Kingdom. This was so entire a departure from the principles of the Acts of 1784 and 1793, which professedly regarded London as the Emporium, and the India House as the Mart and Depot for the Products of India; so adverse to the answer of Lord Melville to the first, second, and third Propositions for the security of their exclusive Trade to China, and so directly repugnant and contradictory to the terms of the Director's Sixth Proposition, as well as his Lordship's consent thereto, namely, that "The whole of the Indian Trade should be brought to the *Port of London*, and the goods sold at the Company's Sales,"—that it was no wonder that the Honourable Baronet should, with a warmth of zeal for his Constituents, which claimed their gratitude, and did himself so much honour, have declared it "as his opinion, that the Court of Directors in the first instance, and the Court of Proprietors, when laid before them, would resist by every means in their power, a measure so fatal to the vital interests of the Company, and to the Public Revenue, as would be the measure of allowing the ships of individuals to *import* into any place but the *Port of London*, and that situated as he was, he should consider it his duty to resist, and recommend to the Court of Directors, and ultimately, to the Proprietors, to resist the Proposition." This declaration was approved by the Honourable Chairman's colleagues, upon his communicating it to them; and he, Mr.

Jackson, had no doubt but that the Directors would find in the General Court on that day at once co-incidence and firm support.

On the Saturday following, the Deputation of Directors, had an interview with the noble Earl, the Chancellor of the Exchequer, and Mr. Wallace. The important question of *importing* to the *Out-ports* was again discussed, when the Deputation had the misfortune to find "that the impressions which his Majesty's Government had received respecting it, *since the date of Lord Melville's letter, dated the 21st March*, were not in consonance with the sentiments of the Court of Directors." The Ministers declared their intention of conveying their sentiments in writing, and Lord Buckinghamshire addressed the Court accordingly on the 27th April. That letter was of course an act of Government, and must be so treated; he mentioned this, lest it might be imagined that himself, in freely canvassing its contents, departed for a moment from the great respect he bore his Lordship, who had formerly been their faithful and highly-approved servant; but the contents of this letter appeared to him most singular, and not to be accounted for by any one preceding part of the negociation. His Lordship says, that in consequence of the conferences which had taken place with the Directors since the 3d instant, "it is unnecessary for me to enter upon the discussion of the Hints and Observations, which have been the subject of the correspondence between the late President of the Board of Control and yourselves." Mr. Jackson said, he

discovered no reason for dispensing with what appeared to him a most important duty, namely, that of giving detailed and specific answers to the Company, and to the Country, before Government should propose so serious a measure as opening the Trade of India. The Directors had propounded a series of Hints or Propositions, on the 2d of March; Lord Melville had answered them *seratim* by way of "Observations," on the 21st of March. The Directors had, on the 15th April, as he had shown, reviewed his Lordship's Observations upon their Hints, and amplified their reasoning upon the latter, and again so powerfully enforced them, that he believed there were few persons of understanding that should read them, who would hesitate to pronounce that, until Government shall have succeeded in refuting them, their recently avowed intention of opening the *Out-ports* of the United Kingdom to the *imports* from India, must be regarded as rash and ill-considered, or as a dangerous concession to clamour, and palpably pregnant with calamity to the Country. Indeed, the Noble Earl, seemed conscious that this alteration of sentiment required some explanation; he therefore observes, that Lord Melville, in his letter of the 21st March, said, that "the farther progress of the measure might require alteration in some of the *details* as well as *regulations* of a different description from those which were then suggested." *Details! Regulations!* Why the proposed change was a dereliction of first principles! The complete subversion of those of 1784 and 1793, for which so much veneration had

been professed by Lord Melville, and in utter contradiction to his answers to the first, second, third, and sixth Hints or Propositions—it was substance! it was vitality! the not confining the *Import* Trade from the East Indies to the *Port of London*, which his Lordship now formally announces as the determination of Government, was, with the Company, nothing less than a question of existence! Ministers, it is true, express their conviction "that the great interest of *policy* and of *revenue*, as well as of the *East India Company*," requires "that the existing restraints respecting the commercial intercourse with China, should continue; and that the exclusive Trade *in Tea*, should be preserved to the Company;" but this, Mr. Jackson said, would be *literally impossible*, if indiscriminate access was allowed to the Eastern Islands, and *Imports* into the *Out-ports*. Their Directors had shown it to be impossible by a series of the most enlightened reasoning, founded upon their long experience, and a knowledge of facts. His Lordship allows the danger and mischief to the Country, and to the East India Company, if under cover of the East Indian Trade, an illicit commerce were to be successfully carried on, they acknowledge themselves to tremble, as well they might, for four millions of revenue, but conceiving, "that *regulations*, both in India and at home, might be so framed as to guard against that danger;" Government would submit the Propositions to Parliament as now suggested.—Regulations!—to guard against the smuggling of an article subject to ninety-six per cent. duty *ad va-*

lorem ! of comparative small bulk, easy conveyance, and aided by all the local advantages of *indiscriminate access*, and *indiscriminate import*, which were at once their encouragement and seduction! It was too extravagant, too absurd, to talk of efficient legislative restraint, under such circumstances, it was evident that Government did not themselves expect to succeed in such regulations, but that they sunk under the clamour of the Petitioners! they fainted in their course under the pressure of the times! this fact was evident, from that passage in their letter which accounted for their change of sentiment, it was in consequence they said, of the representations which had been brought before his Majesty s Government, *since the publication of the correspondence already referred to* :—this *publication* took place about the 24th of March last, before which time, all the leading Petitions had arrived, and their best reasoning been published. Was it the Petition from the Cornish Fishing Towns which had never sent out a vessel of burthen, or those from the Provost and Council of Inland Scotch Burghs, which had never yet consumed a bale of India piece goods, or thought about the Trade till they were canvassed to petition, and help to overawe the Government! Were these the places which had wrought this great conversion?—They must be those or none; for Liverpool, Glasgow, Manchester, and the other great towns had stated their cases long previous to this change of purpose. He feared (Mr. J. said) the *Representations* alluded to were not entirely commercial, they were, perhaps,

not altogether unlike a representation which was said to have been made to Sir Robert Walpole, an Applicant to whom had begun and ended his address by reminding him of the extent of his Parliamentary influence! From whatever cause this determination of Government proceeded, its consequence to the Company was most serious; in fact, if they persisted in it, the Company could not go on, as appeared from the frank declaration of the Directors; and it would be much more advisable to begin now to wind up their Concern, than be obliged to do it three or four years hence, under still more unfavourable circumstances, and with still more impoverished means.

The Directors could only answer this intimation as they did, by their letter of the 29th April; that was, by repeating their solemn conviction, as men of character and honour, of the ills which must follow the resolution of Government. They justly observe, that their objections have not been answered, nor their reasoning refuted; that they are ignorant what kind of representations those are to which Lord Buckinghamshire alludes, and express some curiosity as to the *regulations* by which Ministers believe it possible to avert those national evils to which they admit the measure in question will be necessarily exposed without these magical restraints! It was observable (Mr. Jackson said) that his Lordshiop did not even hint at the nature of them; surely Government must have already digested them, though they had not availed themselves of the experience or assistance of the Directors or their Officers; it

never could be imagined that Ministers would propose this commercial revolution to Parliament, till the code of counteraction, without which they admitted its baleful consequence, was completed! yet certainly hitherto, this work was not even guessed at; and if Government had determined upon its nature, they had hitherto shown impenetrable reserve; but so wholly incredulous were the Directors as to the efficacy of this intended anti-smuggling system, that they protest altogether against the measure which calls for it, as one fatal to their commercial profits, which they say, "enable the Company to discharge the political functions assigned to them in the management of the Indian Empire. Without this resource, the dividend cannot be continued, the value of the Company's Stock will be diminished, and the Company be brought to a state of dissolution.—" They show that with their decline will be thrown out of activity and employ twenty-one millions of capital, 1400 Commanders and Officers, 8000 Seamen, 12000 Tradesmen, 3000 Labourers, and 78 of the finest Ships in the world, equipped for war as well as commerce!

Mr. Jackson said, he could not yet persuade himself that Ministers would persist in this ruinous submission to known combination, and over-bearing importunity! who was there so short sighted as not to see the evils which must follow? Government talked of confining the *Indian Imports* to such Ports as are allowed the *Warehousing System*, this could not be—they knew it could not be, the imprescriptible rights of man were in their way! If this universal

inherent right to trade with every part of the British Dominions was a fundamental principle, as Government seemed now to admit, what Port so obscure on the English, Scottish, or Irish Coast, but might justly claim the same privilege? Like the principles of Magna Charta, such a claim must override the Legislature itself. If it be an inherent right, upon what ground withold it from our Colonies? Why should not they import the products of India into their own ports, and re-export them to South America or elsewhere, to any people with whom we are allowed to trade, without visiting at all the Ports of Britain? Upon what ground deny to Hallifax or Quebec, that which you allow to New York and Philadelphia?—Have the Petitioners themselves considered these things?—Did they see no danger of the Trade being lost altogether in this attempt to change the hands that carried it on? Did the Manufacturers and Workmen of Manchester and Paisley see no danger in calling for large importations of ready-made goods into the neighbouring ports of Liverpool and Glasgow? Could they afford to suspend their own looms and deal in the muslins and calicoes of India, in preference to making those fabrics themselves? Did they see no danger of the annihilation of their trade altogether, by driving out of fashion the article which so many thousands of them were employed in imitating? Rival sellers would run it down; an inferior commodity would be imported to meet the reduced price; that which now was fashionable, on account of its price and variety, would first become common, then

vulgar, then be exploded ; the imitation would cease to be in demand, when the original ceased to be in vogue, and India and British Muslins would alike lose their sale. Could Birmingham or Sheffield reasonably expect to sell a piece of hardware more, after seeing that the Export Trade is at its utmost extent? They might have new Customers without an increased demand; it was for them to consider whether their present regular Customers, or the new Adventurers, were most to be depended on?

If *Tea* really were, as Lord Buckinghamshire asserted, "a necessary of life," who but must be convinced, that the revival of the Smuggling Trade, would again introduce, as formerly, a bad, spurious, fraudulent, and perhaps deleterious article? Mr. Jackson said, he really believed that the Company was now standing by their resistance, between the Public at large, and the rashness or cupidity of a part of their fellow citizens, and that many of the Petitioners themselves, when they come to know the true merits of the case, which at present was scarcely known without those walls, would be candid enough to own their error!

Did the persons interested in the *Tin Trade* see no danger in pressing their pretensions, beyond the bounds of generosity or justice? If they were wholly insensible of the advantages which they had derived from the Company since 1793, had they no fears, that when the Petitioners shall have succeeded in breaking all subsisting ties, laying open the Trade, and thus leaving the Company free to purchase Tin from the best market, that China will be

supplied from Malacca, Banca, and other places in the eastern parts of India, where Tin is produced in great abundance, and upon terms with which the Gentlemen of Cornwall cannot compete! Can they be ignorant that the Company have, knowingly, and upon public grounds, encountered occasional loss in order to swell their exports? And when this honourable obligation shall cease, may not the advantages which the persons interested in the Tin Trade, now enjoy, become extinct?—Are the Manufacturers of woollen cloths sure, that even supposing the rabble of ships about to be admitted into the Eastern Seas, with their motley and ungovernable crews, should not be the means of hermetically sealing the port of Canton against the English, that they shall find Customers, who, like the Company, will consent to a loss of £50,000 a year upon this single article, in order to encourage to the utmost the Manufacturers of their Country? Did they who thought our Island and Coasting Trade so vast a nursery for seamen, and consequently so great a national blessing, did they see no difference as to the encouragement of so desirable a nursery, between allowing vessels to sail to India immediately from, and back to, their respective *Out Ports*, and their making a voyage to London, in order to collect or dispose of their Cargoes?—Do consumers in general apprehend no difference between the certainty which they now possess of obtaining articles of unquestionable goodness, and at a price unquestionably fair, at the Company's public sales, and what may be their chance when cast for their sup-

ply upon the cupidity, specious pretences, and chicane of thousands of individual Importers and Dealers?—Surely these were points that deserved great consideration before the decree should go forth, that was to open the Trade of India!

Mr. Jackson said, he took it for granted, that Government had now made up its mind, as to the *colonization* of India, and rather wished for such an event! For he could not think so disparagingly of Ministers as to suppose they would take the certain means of producing an event, of which they had not weighed the consequence. He admired their nerves, it was an event which the most courageous Statesman had hitherto shrunk from the contemplation of!

Mr. Jackson observed, he had set out with saying that the principles which the Directors had uniformly maintained during this discussion, namely, "That the Commerce and Government of India were inseparably identified, and that the former could only be efficiently conducted through the medium of a well regulated monopoly," had the sanction of the ablest Statesmen. No subject could undergo more thorough discussion than the India Trade, and Government did, in 1783; yet Mr. Fox never suggested the opening of the Trade to the Private Merchant!—Mr. Pitt framed the Act which bore his name, immediately after, and which governed the Company till 1793 but which introduced no such measure!—Mr. Pitt took a considerable share in the Act of 1793, and although then possessed of a long experience, and of every

means of forming a proper judgment, he continued the Company as the only legal medium of trade with India! The late Lord Melville he believed yielded to no man as an Indian Statesman, he had left his sentiments on record in terms so clear and unequivocal, that he should quote them ; and as no charge of venality could attach to him for praising the dead, he should say a few words respecting that eminent person. The noble Lord had been, about thirty years ago, the Chairman of a Committee of the House of Commons, for enquiring into the affairs of the Company, and the state of the Indian Government. He possessed naturally a very strong and comprehensive mind, and at that period, dauntless industry; he acquired in the course of this investigation, a great insight into Indian business, and the able reports presented to the House by that Committee were imputed to his Lordship's pen. This gave him great advantages over his antagonists in the discussion of Mr. Fox's bill, and afterwards placed him at the head of the Indian Department; in that it was known that he always read with his own eyes, and wrote with his own hand, so much so, that it was used to be said, his Secretary's place was a sinecure! Some years since the questions of Private Trade, and India-built Shipping, were much agitated between the Directors, Government, and other parties, they were questions upon which some of the best friends of the Company differed; it had been his misfortune to differ in opinion upon these subjects with a man, with whom he had agreed upon every other topic of Indian affairs, a man who,

to a mind naturally powerful, added great clearness of thought and expression, most honourable sentiments, and the sincerest attachment to the East India Company; he meant Thomas Henchman, who, as his friend and supporter, had so often addressed that Court. He had taken up strong opinions on the subject. The Marquis Wellesley, and an Honourable friend in his eye (Mr. George Johnstone), inclined to the same way of thinking. Lord Melville, then Mr. Dundas, offered his sentiments to the Directors, observing that both parties had run into such opposite extremes, as to induce him to hope that he might be able to suggest some proper medium between them. His Lordship wrote this letter which he (Mr. J.) was about to quote in the year 1800; at this time he had devoted about thirty years to the consideration of the affairs of India; he had been, as Mr. J. had before observed, Chairman of an important India Committee, of great and extensive scrutiny and enquiry, and he had then for many years, been the laborious head of the Indian Department; no man it must be admitted could write with a higher claim to confidence in his judgment; add to this, that at the time of writing he was in some degree of difference of opinion from the Directors, he thinks them in error as to their jealousy of Private Trade, but repeats in the most emphatic terms, his continued, firm, and decided conviction, that through the Company, and the Company only, should the Trade of India be conducted to whatever extent it might be capable of being carried. The sentiments of the Noble Lord

were too apposite to the present question, not to be given verbatim, and he would beg permission to read them.

April, 2, 1800.

" In the first place, I set out with disclaiming being a party to those opinions which rest upon any general attack of the monopoly of the East India Company either as to the Government or Commerce of India. My sentiments, in that respect, remain exactly the same as they were when I moved the renewal of the Charter in 1793 ; and if any thing, I am still more confirmed in the principles, I brought forward at that time. That a direct interference by Government in the affairs of India, is necessary for their stability, and uniformity, I am more and more convinced ; but that the ostensible form of Government, with all its consequent extent and detail of patronage, must remain as it now is, I am persuaded will never be called in question by any but those, who may be dispossd to sacrifice the freedom and security of our constitution, to their own personal aggrandizement, and ill-directed ambition.

I remain equally satisfied as to the propriety of continuing a monopoly of trade in the hands of the East India Company. Those who maintain the reverse, appear to me to be mislead by general theories, without attending to the peculiar circumstances of the Trade they are treating of. Viewing it even as a mere commercial question, I believe this proposition to be a sound one ; and if the Trade were laid open, the supposed advantages thence arising are at

best very problemetical, and would certainly be very precarious and short-lived. *It is, however, totally to forget the question, to treat it as a mere commercial one! The same principles which prove the necessity of the present form and mode of Indian Government, evince the necessity of the monopoly of Trade. The Government and the Trade are interwovc together!* and we have only to recur to a very recent experience, to learn the immense advantages which have flowed from that connexion of Government, and Trade.

By the commercial capital of the Company at home, acting in connexion with the public revenues under their administration abroad, they have mutually aided and administered to the wants of each other; and the result has been, the fortunate achievement of those brilliant events, upon the success of which depended the existence of the Government, the territorial wealth, and the trade of India."

Mr. Jackson said, he had now endeavoured to establish from the papers before them, that their Directors had acted with wisdom, as well as with integrity, and that the principles which they had maintained not only accorded with the judgments of those, among the Proprietors and the Public, who had addressed much of their attention to Indian affairs, but stood sanctioned by those of the ablest Statesmen that had lived. He did not pretend to say that the regulated monopoly for which he contended was not susceptible of great im-

provement; on the contrary, he thought that qualifications of their present system might be introduced of incalculable benefit to the Company and the Country: but sure he was, that the measures now proposed would place the whole in eminent peril! He was glad to hear that the business was not likely to be brought into Parliament this Sessions, it would afford time for cool deliberation; he indulged a hope that Ministers, be whom they might, would have the fortitude to adhere to the principles of 1784 and 1793; he was convinced, that they would have with them the real voice of the Country. Nay, satisfied he was, that they had the dispassionate, and disinterested part of the Public with them already, he meant that part of the Public which had no interest in begging for petitions, and artfully inciting all descriptions of persons to demand commercial privileges upon grounds which the Petitioners evidently did not understand, and respecting which they were wilfully misled by intriguing Agents. The reasoning part of the Public, which always had, and would ultimately prevail, was sensible how wonderful a machine the East India Company was in the hands of the Country. They gazed with admiration on the perfection to which it had been brought; they saw its innumerable ramifications of benefit abroad, and blessing at home; they exulted in the character and the strength which it had given us in the opinion of our Enemies, and how much it had raised us above other Nations; they did not deny but that it was capable of amendment; but they trembled at the

experiment, lest disturbing it should make it worse, and check its present salutary operations; but, above all, they reprobated the idea at present afloat of taking it to pieces in order to put it together again in a different way, they justly doubted if there were among the sons of men a political artist to be found equal to so delicate and complicate an undertaking. The Directors, he repeated, had acted most laudably towards to the Company and the Country, in endeavouring to preserve this machine in its present useful form; he thought them entitled to all the countenance which the Proprietors could give them, and he was of opinion that assistance could not be better conveyed than by such a resolution as should convince them and the Public that theirs was not only a firm but enlightened support, a resolution which, embracing the leading points of the discussion, would satisfy their countrymen, that throughout the whole of their conduct, they had in truth united the character of Proprietors of East India Stock, with their paramount duty as Citizens of the British Empire! Being himself obliged to attend a professional duty before the Upper House he should leave such a motion for their wisdom to deal with, as the best offering he could make to them under such circumstances; he hoped they would regard the engagement he had alluded to as an apology for his absence during the discussion of his own motion. That Court and himself had now been long acquainted, he had never addressed them upon a subject of more importance, and he trusted they would give him

credit for the most earnest and disinterested wishes in behalf of the Company. He had, on all occasions used his utmost endeavours to promote its welfare, and not entirely without success, he having, as their records would show, been humbly conjunctive in the saving of many millions sterling to their funds, without, he might truly say (and he hoped he should be pardoned upon such an occasion for saying a word of himself), without seeking for any personal gratification, and without having directly or indirectly upon the hour that he was then speaking, received any, beyond that honest fame to which he had aspired, and that professional adoption on the part of the Public, which he could not help, in some degree attributing to the countenance and confidence with which he had been so uniformly honoured by the General Court.

Mr. Jackson then moved as follows, which motion was seconded by Henry Smith, Esq. and carried unanimously:

"That this Court has learnt with deep concern and surprise that his Majesty's Ministers have been induced to change the view they first entertained of the propriety of confining to the port of London the returns of the trade to India now to be permitted to all British subjects; that the measure of opening the Outports to vessels of all descriptions from India, comprehending in that term the Eastern Islands, appears to this Court to be fraught with consequences ruinous to the Company, and all the long train of interests connected with it; by removing from the port of London the greater part of the Indian trade, which it has hitherto enjoyed; by rendering useless many of the extensive establishments formed there for the merchandise and shipping of that trade, and throwing out of bread many thousands of persons who now derive constant employment from it; by de-

ranging the practice and frustrating the end of stated public sales, which are useful and important both to the Country and the Company, who are necessarily restricted to this practice; but, above all, by affording facilities for the smuggling of teas into the ports and harbours of England, Scotland, and Ireland, to an extent unlimited, and, as this Court apprehend, uncontrolable; that the consequences of this must be the destruction of the Company's China trade, their best source of commercial profit; the failure of their dividend, the depreciation of their stock, and unless a fund is provided from some other source for the payment of the dividend, inability on their part to continue to perform the functions assigned to them in the government of British India. That if the constitution by which the Indian empire is now administered should thus be subverted, the excellent system of civil and military service formed under the Company, and maintainable only by such a body, will be broken down, the tranquillity and happiness of the vast population which that Empire contains, the interests of this Country in Asia, and its constitution at home, will be imminently endangered.

"That the professed object for which the proposed changes are to be made, and such immense sacrifices hazarded, namely, the increase of the Commerce of this Kingdom, cannot be in any great degree attained; there being no practicability of extending materially the use of our manufactures among the Indian people; the tonnage allotted by the Company, or afforded by Indian ships in the management of individuals, for such exports, not having been fully occupied; neither does it appear practicable largely to augment the importation of profitable commodities from thence; of all which the example of the American trade to the East is a proof; British manufactures which they could easily have procured, making no part of it, nor their returns exhibiting any new articles of importance. That therefore the trade now enjoyed by the Company and Individuals will be the only certain trade to which new Adventurers can have recourse; and this will be no addition to the commerce of the Country, but only a transfer from one set of hands to another; so that old Establishments will be subverted, without substituting any thing equally good in their place, and to all appearance with great detriment to the Nation, particularly in the defalcation of a large part

of the duties now collected on Tea to the amount of four millions sterling per annum; for all which defalcation, whether one, two, or three millions, new taxes must be laid on the people.

"That the cause of the Company has been deeply injured by prejudice, ignorance, erroneous assumptions, and of late by extensive Combinations, and by unfair representation, canvas, and intimidation; in all which, the merits and rights of the Company, the political interests of British India, and of this Country as connected with them, have been left out of sight, and the single object of the extension of Commerce, an object only of speculation, in opposition to past experience, is the governing principle.

"This Court, however, confidently hope that Parliament will not decide the fate of the Company, on the representations and demands of private interests, but on just and comprehensive views of national policy; and the Court must also believe that his Majesty's Ministers are too enlightened, and equitable, finally to adopt any measure calculated to destroy the commercial profits of the Company, and thereby to disable them from performing their political functions. This Court therefore entirely approving, both of the firmness which their Directors have shown in maintaining the interests of the Company, and of the manner in which they have, in the papers now produced by them, defended those interests, doth recommend it to them to persevere in the negociation with his Majesty's Ministers upon the same principles; assured of the determination of this Court to support them to the utmost in maintaining the permanence of the Company and the national interest, which are involved in their stability.

Printed by T. Harper, Jun. Crane Court, Fleet Street, London.

A BOLD
EPISTOLARY RHAPSODY,

ADDRESSED TO THE

PROPRIETORS OF EAST-INDIA STOCK

IN PARTICULAR,

AND TO EVERY INDIVIDUAL

OF THE

WELCH, IRISH, SCOTTISH AND ENGLISH NATIONS

IN GENERAL,

AS MEMBERS OF THAT BRITISH CONSTITUENCY, WHICH HAS BEEN TOO LONG MISREPRESENTED IN THE HOUSE OF COMMONS, AND THE IMPERIAL PARLIAMENT, BY AN OVERWHELMING MAJORITY OF ARISTOCRATICAL REPRESENTATIVES, AND VENAL UNPRINCIPLED BOROUGH-MONGERS, PLACEMEN, OR PENSIONERS, &c

---

BY

JOHN BORTHWICK GILCHRIST, LL.D.

PROPRIETOR OF EAST INDIA STOCK,

&c &c &c.

"Quin age, si quid habes: in me mora non erit ulla:
Nec quenquam fugio.--res est non parva, reponas" VIRGIL.

LONDON:

PRINTED FOR RIDGWAY, 169, PICCADILLY,

AND SOLD BY ALL BOOKSELLERS.

1833.

Price One Shilling

PRINTED BY RICHARD WATTS, CROWN COURT, TEMPLE BAR.

A BOLD

EPISTOLARY RHAPSODY,

&c. &c.

"WORTH makes the MAN, the want of it the FELLOW,
The REST is only LEATHER and PRUNELLO."

"Divers, that shrink from monsters of the main,
Through rocks and shoals, may search for pearls in vain;
But he who perils scorns and mountain wave,
Deserves those gems which best become the brave."

Which, in Hindoostanee, may be rendered thus:

Ghuwwas kuhee*n* *d*ure jo ghuriyalo*n* se,
. Hurgiz nu luge*n* hath me*n* motee ooske;
Pur jo koee muoj uor jokhim ko hech nujane,
Wooh Buhadoor sa humeshu doorri yuteem ko pawe.

The Orienti-Occidental Tuitionary Pioneer.

TO THE PROPRIETORS OF EAST-INDIA STOCK IN PARTICULAR, AND TO EVERY INDIVIDUAL OF THE WELCH, IRISH, SCOTTISH AND ENGLISH NATIONS IN GENERAL, WHO LOVES UNION AND PEACE WITH ALL THE COMMUNITIES AND SUBDIVISIONS OF THE BRITISH EMPIRE.

CO-PARTNERS, FELLOW-CITIZENS, SUFFERERS, AND PLAINTIFFS!

WHATEVER your wealth, rank, titles, or office may be, the whole, in my estimation, comparatively speaking, are not equivalent to a single straw: they are consequently omitted in this candid address, on so momentous an occasion as the present, when the whole we have is at stake. It consequently becomes us, in our several capacities of

upright men and honest women, to demonstrate, that, as such, we all are in reality the noblest works of God, able and willing implicitly to fulfil the high duties of our glorious calling, on the adamantine principles of reason, truth, justice and courage, combined. A strong pull, a long pull, and especially, *a pull altogether*, is the main-spring still wanting to save many forlorn widows, helpless orphans, and even our own poor selves, from the yawning jaws of that terrific abyss, which for years past have been ready to devour us, along with the East-India Company, ever since that *Honourable* body was compelled to commence the detested office of pimp or pander to the cupidity of successive profligate Governments, for self-defence and preservation from the grasping clutches of the two greedy factions, known by the names of Whigs and Tories, with whom our common country has been cursed during a corrupt space of two long centuries: the only very visible difference in fact between them, is, that the Tories are open foes to fair, popular representation; while the Whigs are but wolves in sheep's clothing, merely to cheat the bleating flock out of their fleece and skin together. Each Proprietor may justly say, as the wary Trojan observed of the wily Greeks and their famous stalking-horse, akin to Grant's belligerent steed—"*Aut aliquis latet error, equo ne credite, Teucri: quidquid id est, timeo Danaos et dona ferentes*"—when guarding our bosoms from the fraternal embrace of the Grey and Grant Ministry, willing and prepared, *Judas like*, to betray us with a holy kiss. It seems the race of the Giants who lived before the Flood is not quite extinct: let us therefore buckle on our defensive armour at least, to put every political despot of gigantic aspect at defiance, whatever the whistling of his name or the magnipotence of departed fame may once have been in his behalf. The period of retribution has, after a multitude of prelusive warnings, completely overtaken, if not overwhelmed us: our grand stay is nevertheless unbroken, in the generosity of the British People, to whom it is high

time to confess our political sins, and to crave absolution, with a seasonable pardon for all our heinous transgressions. We sinned against the main body of the nation, on the joint pleas, we may now allege, of that ignorance and necessity which imposed a scandalous and heavy additional imposition, over and above the King's duty, on tea, by way of a pimping commission on the importation, sale, or procuration of that delicious article to old maids and scandal-mongers of both sexes. Its grand moral conservative qualities among the industrious and sober-minded poor were entirely overlooked, until the complaints of our grinding monopoly kindled the very coals of the *quondam* American rebellion, to generate that terrible salamander of Liberty, which is rapidly inflaming every warm heart in both the Old and New World, to pant, above all things, for rational freedom, totally inconsistent with the further existence of a solitary monopolist on the face of the earth, whatever may long be the case in the heavens above, or amidst the infernal regions far under the bottom of the deep, where Fancy's vision becomes extinct.

A small minority of us Proprietors, in whose brilliant train two, three or even four stars have been whilom wont to shine; those also whom propitious Fortune, under this astrological influence, ushered into the Court of Directors by a regular periodical self-election, may, in sober sadness, have many reasons to complain of having lost all hope in future of some boons more substantial and superexcellent than a consigned cargo of China oranges, China ware, or China silks and satins of the most beautiful hues: but as such lucky Proprietors are like a drop in our whole kit, their loss cannot be a public calamity, though, no doubt, a private misfortune, at which the great majority may yet have much more reason to rejoice than to mourn as men sorrowing without some expectation of better days, according to the trite adage, "It must be an odious wind indeed that blows nobody good."

There need be no apprehension of our teas ever being

worse or dearer than in former times; because the free private trader has a direct or collateral interest in purchasing a genuine good article, at a reasonable price, to sell it of course as dear as he can, consistently with the fair competition that regulates all markets; and will constantly teach merchants moderation in spite of their teeth; prone enough to bite when this can be done with impunity, but equally afraid of being bitten by a more honest competitor in his turn.

Let us flatter ourselves, my fellow-partners and citizens, that the Government will have wisdom, integrity, and intelligence enough to superintend the commercial intercourse with China in free bottoms, with advantage to all parties concerned; and that every subsequent Cabinet will expose it to the least possible weight of restrictive, policy and fiscal exaction; otherwise the people may grow restive a second time, and then the result may be what I dare not venture to name: at all events, we may congratulate ourselves, and the British tea-drinkers of all denominations, that the forestalling of this harmless comfort to millions of its votaries is gone, like the days beyond the Flood, never more to return as an apple of eternal discord between the truly Honourable Company and their honest opponents, who have manfully beaten us off the field with a flea in our ear, perhaps a few maggots in our head, and all the hornets of the Whig Administration at our backs. The next object is, to cover our retreat in the most graceful way practicable, that even this may terminate more in victory than defeat, by expostulating with the entire British Nation in language such as the following:— We were a species of joint-stock society, embarked during many hazardous seasons in the self-same bottom of national credit and constitutional faith with each other: we kept your company, through good and bad report; and have we not gallantly fought and conquered, for mutual defence or advantage, from first to last, in the firm belief that there would be found a sheet-anchor of ultimate

relief for both parties in the consolidated British funds, and on the infallible books of the universal debt of the United Empire, where alone ultimate security can be found for persons who should *bona fide* swim or sink together, with confidence and in resignation to our inseparable fate, and that Providence which hath, till now, protected us from all danger?

Reciprocal concessions are absolutely inevitable; and for the transfer of our stock from the territorial assets of the East Indies, we shall cheerfully relinquish all idea of remuneration for the various sacrifices we have just been called upon somewhat imperiously to make, for the benefit of the people of these realms; who surely would not ungenerously expose us, our wives and heirs, to contingent ruin abroad, while both peace and plenty may reign at home for ages to come; particularly so long as brotherly affection and fellow-feeling shall animate the manly breasts of united Britons, in the full enjoyment of those inalienable rights and liberties inherent in so peerless a name, and which the whole world wants to emulate.

We cannot, my co-partners and fellow-adventurers, attach the least value to the patronage or emoluments that Ministers have the intention of lavishing on the Court of Directors, in concert with their own most honourable selves, for one obvious reason, that no such abuses ought to remain any longer to stain the purity of our new standard of British-Indian regeneration, if we can muster up the *quantum sufficit* of wisdom and valour in our huge corporate quality; without which no radical reform, of worse than borough-mongering corruption, can ever succeed among us, while our existing constitution, and its subservient rotten out-works, shall continue as they have been for ages past, in defiance of every salutary attempt to ameliorate them. Admitting the die to be cast, at the *fiat* of the people or the dictum of Ministers, against our admission among the stockholders of the State, on terms to which we cannot with prudence submit, there is one

palliation of our inevitable insolvency still in *petto*—and we can surely adopt it, in the expiring agonies of unforeseen and invincible fatality—to create a saving fund of considerable extent, by the various means enumerated below, and to belong for ever to the Proprietors, their heirs, executors, and assigns, in common with the proceeds of their other united properties, possessions, houses, &c., of every denomination, within the United Kingdom or the British-Indian territories.

1. All nominations to offices, posts, employments, lucrative situations, &c., wherever they are held, to be sold at their just valuation, but to those purchasers alone who have previously produced two responsible securities for moral conduct, with the intellectual qualifications inseparable from the due and faithful performance of their respective duties; to be ascertained by the *bona-fide* examination of all candidates or competitors, who shall have seasonably consented to undergo the several ordeals promulgated by the Company's authority for this express purpose.

2. Every licence, commission, warrant, mandate, order, &c., which shall confer any new step, promotion, function, &c. of an emolumentary nature, or with beneficial prospects for the nominee, shall be charged with a moderate sum, in lieu of all fees, perquisites, compensations or claims hitherto levied by different functionaries; and these contingent receipts shall *instanter* be lodged in the Treasury; whence the whole servants of the Company should each receive quarterly, ample salaries, in fair proportion with the talents, integrity, exertions, responsibility, and attendance expected, as a *sine qua non*, from the highest officer to the lowest subordinate in any department, civil, military, naval, medical, or miscellaneous, in the service.

3. The copies of such works, maps, plans, prints, &c., after reserving a limited number for the public offices and library, as have been paid or subscribed for by the Com-

pany, to be disposed of for cash, twice every year, and the proceeds consigned to the Treasury. In like manner, all presents from the native princes and grandees of India, which may be offered to and taken by persons in the capacity of judges, collectors, commercial agents, contractors, commanders of all descriptions, governors, counsellors, secretaries, generals, &c., shall be converted into money, unless some peculiar circumstances may render this conversion improper at the time or afterwards, and carried to the credit side of an account-current for this very equivocal practice, which will ever be more honoured in its breach than observance among conscientious Governments and their representatives, who need not gild their diplomatic pills on either side of the question.

4. The three preceding sources of revenue will speedily supply an annual capital for the extra expenditure of twelve Directors' salaries at 500*l.* a-piece, 1500*l.* for the Chair, and 1000*l.* for his Deputy; and a few more unavoidable pensions for all the other supernumeraries, until they can be re-instated to fill vacancies as they occur, in preference to every new competitor.

5. Most, if not the whole, of the expensive civil, military, and literary colleges, academies, seminaries, &c. in the United Kingdom, which are now supported by us, may be safely abolished, and with all possible expedition, after announcing a given standard of moral, mental, manual, and corporeal excellence, in the diversified professions and branches of the British-Indian service, from the Governor-general down to the humblest subordinate under his sway, including every intermediate link in this great chain of accountable agents, with no exception whatever in Church or State, nor even among the numerous colonial settlers from Europe, who will flock, like flights of wild geese, to the East, the first moment our free ports, with those of China, are laid open to them, either for permanent colonization, or merely temporary and ephemeral residence in the interior districts or maritime cities of the most delightful country

in the civilized world. Not a man or mother's son, who-ever or whatever he may happen to be, should be allowed to depart for the Indian Peninsula, before proving, by a public examination, that he can read, write, cast up accounts, produce an attested character for moral conduct and peaceable temper, with a reasonable colloquial know-ledge of the most useful language of Hindoostan, that his ignorance may not degenerate into a rankling thorn in his own side, or that of the natives, with thousands of whom every European, high or low, rich or poor, young or old, barbarous or accomplished, must ever be exposed to constant collisions every hour of their lives, by night as well as by day.

The only thing which has yet made the conscription on the Continent in the smallest degree palatable to the French and other nations subjected to its galling yoke, is the universality of its application to prince, peer, and peasant indiscriminately, all of whom must cheerfully run their military career through the toils of the common soldier, the cares of the non-commissioned officer, the responsibilities of the subaltern, the personal dangers of the captain, major, colonel, and general, as so many pre-paratory steps to the hazardous and accumulating opera-tions of the field-marshal, who may have originally been a gay shepherd's boy or a pastry-cook's apprentice; whence, from the moment he enlisted, his dark intelligent eye has been not less steadily fixed on the baton, than the lynx peepers of a celebrated pleader, at starting, were fascinated by the woolsack, from the glorious paths of radical reform to the gloomy depths of sheer despotism.

That our fellow-citizens, who are not the covenanted servants of the Company, but may desire to visit, in a variety of capacities, our territorial domains in the eastern hemisphere, shall have no rational grounds for complaint on the score of severe restrictions to regulate their resi-dence and behaviour there, we must imitate the military conscriptive rules of absolute monarchs in their unlimited

application to every individual, whether in our employment or not, so far as to require that they who compose the King's regiments destined for British India shall also submit to the self-same regulations as the Company's troops, with respect to partial and general education. This alone will immediately tend to reconcile every discreet John-Bull dog to the muzzle put on his mouth, as the one thing at first most essential to the well-being and ultimate pacification of the peninsula; while the process of rational amalgamation between the Asiatic and European breeds, including the multitudes of well-informed Eurpasians imperceptibly progressing towards that conspicuous rank to which they undoubtedly have the fairest pretensions to aspire, and will ere long attain, on their natal plains. Persons little versed in discussions about tuitionary improvements and institutions will naturally ask where, how, and when, are the intellectual qualifications connected with India procurable? My answer is, that they will, in a few months, be so in every part of the United Kingdom, not excepting the Green Island itself; where, had it ever been favoured with the fostering hands of a reckless Government, an adequate number of oriental schools would have been founded, under my own auspices, had not the destructive monopoly at Haileybury destroyed even those which were commenced by my disciples in the two sister countries six years since; but from a total want of encouragement they have invariably fallen into decay, from the baneful effects of their courtly rival's exclusive privileges. Even the Scottish Academy in Edinburgh, with its able Oriental Professor, has shared the common fate of all the rest, as I predicted would be the case in the "Orienti-Occidental Pioneer," published by me about the year 1826; when I was taken ill, and continued so ever since, till recovered, by a miracle almost, only a few months ago. To those who will condescend to glance over that voluminous collection and exposure of facts, something approaching to the gift of the second sight will peradven-

ture be detected among a mass of documents that may, when too late, still be found useful, especially to those among you whose apathy and want of information upon your own most important concerns has become nearly as proverbial as the flock of sheep's blind instinct to follow their bell-wether over a precipice, at the risk of breaking their necks, in defiance of the barking which their trust-worthy dogs set up to warn the poor bleating unconscious beasts of their real danger.

There is an upright equality in law, reason, and justice, between all the citizens under the same government, which no partialities or predelictions should ever be suffered to invade, being a sacred deposit for that downright submission of well-defined freedom, which the boasted omnipotence of Parliament legally can expect from its own constituent bodies; who, if they clearly perceive the various heads of the State, Church, and civil societies bowing to examinationary ordinances, will have no shadow of right to complain at their also appearing in the presence of all such boards or courts, before they can procure permission to go to or settle in any corner of the British-Indian empire. Such trials of skill, in the lapse of a few seasons, will do more for the rapid march of human intellect, than all the other contrivances put together at the Hamiltonian schools or the infantine nurseries of practical knowledge.

We, over whom the distant prospects are beginning portentously to lower, should lose no time in setting our own constituent and representative houses in apple-pie order, by evincing that courage in self-defence which will grant to no fingers but our own a rude intrusion into our culinary arrangement of the ministerial feast or fast in perspective before us; if we be staunch to the vital interests of the many, in preference to the crafty sordid few who have been but too long allowed with impunity to sacrifice every public object to selfish views of individual aggrandisement alone.

That imperious necessity respects no laws in any com-

munity when driven to extremities, is an axiom in politics which no one will venture to controvert, particularly when only one visible plank of salvation is left to a perishing shipwrecked crew for the preservation of every soul on board who not only desires to reach the shore in safety himself, but to lend a beneficial helping hand, without exception, to each of his associates in misfortune.

Such is the identical part which will be performed by me in this impending crisis of our calamities, as a fearless volunteer, whose chief stay is a clear conscience, and an ardent wish to demonstrate that, in the moment of need, good sense, with common integrity, even in the garb of a homely independent old man, may be found a friend indeed, provided his junior and abler compeers will patiently listen to mature and disinterested counsel.

The Directors have apparently fought a noble battle; but had I succeeded, some six years past, to break through the self-electing House list, and get thereby into the Direction, the combat would probably have proved still more glorious; and had a cleverer candidate, with only one moiety of my independent spirit joined us, the contest would then have been hailed as the most glorious of the three.

At that period, not fewer than thirty-three liberals voted in my favour; which exceeds, by one score, the stated number which, if there found, would have liberated certain cities, in days of yore, from the vengeance of the Lord.

The only mode whereby my endless gratitude can be testified to those still among you who supported my humble claims on that trying occasion, is what has here been adopted in this address *pro bono publico*, and with the purest intentions on my part, in unison with the voice of the people, emphatically termed the audible spirit of God.

It grieves me reluctantly to confess, that we have acted as the tea tax-collectors for, and participators in, one of the most flagitious imposts that ever was laid upon any people, to feed in succession the insatiable cupidity of the most profligate ministers who ever ruled the roast; and

basely conceded handsome pensions to the mothers of a pair of dukes, rich enough to have supported them in affluence and ease to the hour of their death, but sufficiently mean to see their parents' shameless names registered on the long lists of graceful and noble paupers, partly fed and pampered on the sweat, blood, sinews, and bones of the hard-working poor. My aged centegenarian mother, though much reduced in her worldly circumstances twenty-five years before she departed this life, would have spurned, with Caledonian indignation, any proferred pension beyond the very moderate one she regularly received from myself, her own son. While silly courtiers and heartless courtezans calumniate and upbraid the genuine Irish patriot, Daniel O'Connell, for the merited remuneration which is voluntarily paid him by his fellow citizens of both sexes, of all ages and ranks in society, they should reflect, that the Duchess of Newcastle &c. seize, *nòlens volens*, the pitiful pence and farthings of the starving labourer, wrung, perhaps, from the dregs of his tea-pot or the miserable pittance of his daily toil, to feed an overgrown dame, for whom he cannot care one straw, and who never, in her whole life, would say to him, God bless you ! On one hand we behold a bountiful nation rewarding spontaneously the best and bravest of her sons for benefits conferred, by imperceptible contributions ; and on the other, an ignoble aristocracy preying upon the very vitals of poverty personified, without one redeeming virtue to cover a whole catalogue of crimes.

During the late protracted, overheated, crowded and irksome meeting of the General Court, to hear the awful sentence of political death pronounced against us by a ministerial cabinet which is loosely hanging together by the ruptured bonds of national faith in their vaunted integrity, my inexpressible supporters, though seated on my former usually vacant opposition side of the house, were virtually squeezed as flat as pancakes, by the overwhelming pressure of two or three magnificent and magnipotent, Tories. Thus goaded, I naturally stated my surprise at

their venturing to occupy so notorious a position, cheek by jowl with a known Radical. To this, one of my unexpected neighbours on the cross benches replied, in his customary jocular style, and with the utmost good humour, that while he could not call his self "almost a Radical," he certainly might safely say he was very near one. On this we adjusted ourselves upon the hard narrow confined boards, to the best of our respective abilities, but of which I possessed the least share, and was tantalized for the space of six tedious hours accordingly. After having been confined in a most unpropitious posture from 12 till 3 o'clock, the spirit of sympathy moved me to offer an exchange of places with a tall elderly gentleman, seemingly in a very infirm state of health, and who pertinaciously insisted with some courteous members of the Court, who were near him, on continuing to stand there. I nevertheless attempted to rise, with the sole view of being equally polite to a weaker brother; but this imperceptible effort alone threw me at once out of the frying-pan into the fire, having by this time become quite petrified or torpid in my lower extremities, and quite unable to relieve the miserable attitude of my own body, otherwise than by gently raising the whole weight of it on my arms occasionally, as I could catch a transient opportunity to go through with even this painful manœuvre. The consequence of total inability to move in any direction, so far, was, that the unknown sufferer remained *debout*, and in a condition not less wearisome, but probably not just so galling as mine. These otherwise very trivial incidents are made purposely conspicuous in this address, since to them alone can reasonably be attributed some degrees of retrogression from my previous rapid amendment in my health, which, if further menaced with a relapse, may prevent my appearance in my old oppositionary station on the 15th current, to say nought of the hazard which a blue-devil-beaten dwarf like myself runs of encountering some conservative lion on the way, in search of radical prey, among something now resembling, however faintly, a popular

meeting. I am moreover apprehensive of those spiritual creatures who, Milton observes, walk the earth unseen, but who, to me, may appear in the guise of departed giants, stalking along the darkest passages of the India House, with a lurid scowl on their furrowed brows, and a hypocritical smile on their lips, perfectly diabolical.

The celebrated Dean Swift constantly admonished his hearers rather to flee from than struggle with Satan. It may therefore be most prudent to depart in peace, and sin no more, lest a worse thing befall me, compared with the mere apparition of ghosts, who enjoy a sort of transmigratory right among our representatives, from one chair to another, in dynastic rotation, and whose minds, in all that ever concerned me, are as adhesive to their quondam thrones, as Saint John's long pitch plasters have been to the scarified backs and sides of his wretched patients. Whatever my sentiments of living and defunct chairs may have been, or yet may be, they are much beyond the reach of this grey-goose quill of mine—though it may not altogether be so impotent—my estimable co-partners in the Company's welfare, and in whose good ships, the Union and Hearts of Oak, my determination is to sink or swim with the most enlightened and liberal portion of the Company, from whose entire corporation there should be at once a select deputation, to offer their conciliatory assistance to the Court of Directors; where, if invited to a momentary junction, some good may yet be effected, through their simple deliberative voices alone.

On the theme of education, it is my intention to be more explicit in a future letter; but in the interim, I have no hesitation in earnestly inculcating the propriety of diffusing a knowledge and cultivation of our own mother-tongue, by ample encouragement and patronage to every Hindoostanee, whether Hindoo, Moosulman, European, Chinese, Malay, or *Eurpasian*. If any of my readers charge me with one of facetious Pat's bulls, on the term Hindoostanee introduced here, let me remind John Bull's self, that we have Welch,

Irish, Scottish, and English in the United Empire, who can all come under the comprehensive term of British and Britons: nay, I imagine our beautiful sister Hibernia, if treated with brotherly love, as she ever ought to have been, would not now, at the eleventh hour, reject the fraternal embrace, when offered on the broad basis of perfect equality of rights in Church and State ; nor could her heroic sons refuse to reckon their green isle Erene as the second in dignity and rank of all the British Islands.

No geographical appellation, in my estimation, can be so significantly appropriate as Austral Asia ; and I have the same idea of Eurpasian for that large respectable division of the British-Indian Population, hitherto degraded by the illiberal nicknames of half-caste, blue-skins, chee-chees, &c., the whole of which ought to be scouted from our language for ever, as disgraceful to it, as to us, and the valuable class on whom it has been most absurdly imposed. To confer on the word itself as much of a true British hue as it can well support, I would write Yourpasian, in lieu of Eurpasian, for reasons needless here to assign, where the real sound, not the sense, is the grand desideratum on such emergencies. These digressions are inspired by conciliatory principles, in the complete conviction that they only can serve our cause forlorn, whenever such indignant masses of fellow-creatures shall enter the lists, and take their cudgels up to knock us, the tea tax-gatherers, and imposers of it, unceremoniously down.

A few years ago, the Directors most judiciously, in regard to themselves, and still more so on behalf of their zealous and intellectual subordinates, projected various important improvements in the interior of the India House; at which not a soul rejoiced more cordially than mine, in the fond hope that similar ameliorations would speedily be executed for the comfort and conveniency of our own Proprietary Court: in truth, the lord paramount of the whole, as, the sun is to the earth with its satellite moon and other planets, too liable to eclipses from the visible darkness of

the two, three, or four fixed stars of mammon which gleam with a malignant influence from the printed catalogue of Proprietors, and *ab origine* tended not only to stultify and corrupt the whole system, but eventually to cause it to fall like Lucifer, for aught we yet know, never to rise again; being exactly, to our constituent and representative Courts, what the rotten boroughs, or still more rotten cheesemongers who bought and sold them without having the fear of God or perjury before their eyes, were to those liberticide Parliaments, and the misrepresented people of the three kingdoms, ever since their union. On this momentous catastrophe, some witty Englishman sarcastically remarked, that Old England would forthwith be crucified between two thieves;—of course meaning, that her darling liberty would be bartered away for gold, glory, or those other glittering toys with which every throne must, in self-preservation and defence, be surrounded, in order to bribe the degenerate curs of their mother-country to cut her throat, that they alone might wallow with impunity on the remnant of a carcase then fit merely for such hounds to feed upon who were not of the real staunch British breed; otherwise they would have watched over the sacred lamp of Freedom with the ardour of Roman Vestals, and preserved it unpolluted to their lastest posterity. Alas! where is it burning at present? I reply, in the manly bosoms of the Welsh, Irish, Scottish, or English Youth, and in the more amiable breasts of the British Fair.

Our Court-room, my fellow partners, as it now exists, is nearly as dark, dismal, and suffocating, as the infernal Black-hole in Calcutta, of murderous celebrity; and so contracted in its dimensions, that were barely one half of the Proprietors to attend the portentous assemblage on the 15th instant, we would require to be packed in the style of pickled-herrings in a firkin, or a cargo of African slaves stowed away in the narrow hold of a small vessel destined still to carry on that abhorrent traffic. The forms are almost as hard and narrow as the cold hearts

of some cushioned Directors who have room for tiffing and lolling at their ease, heedless of the sufferers in front of them, though their legitimate constituents and masters; who, from sheer inability to move in or out, hands or feet, are subjected to a multitude of destructive privations, from six to eight hours or more on a stretch.

Confinement of this nature, in a contaminated atmosphere, from noon till night, to those who have spent the largest share of a protracted life in warm climates, must inevitably encourage the consumption of drugs, the profession of doctors and grave-diggers: nay, it must frequently accelerate the brisk succession of those expectant heirs who should hail all crammed assemblies of wealthy *Nuwwabs* as so many God-sends, particularly when old *Dad* does not die just so soon as could be wished. A small number of these sedative trials at their constituent posts in the Honourable Service, performed by any one of these superannuated fathers more commonly in the promotion of his own dear children's immediate interest than in the honest discharge of his functions on the part of his brother or sister Proprietors, or in the yet more praiseworthy tentative to cherish and protect one hundred millions of industrious Hindoostanee subjects from that misrule and oppression to which they are so liable at the hands even of virtuous Magistrates, when somewhat spoilt, as they for the most part are, from the mere possession of delegated, distant, if not unlimited authority.

Though no leisure is left to make the smallest alterations in the Court before the 15th, these ought to be undertaken and achieved without one day's longer delay, by enlarging the entire place, furnishing decent seats, with appropriate backs, cushions, &c., setting the ventilators at once to work, and reserving some accommodation for the public in general, and the Reporters of the Daily Journals in particular.

Then, and not till then, can the constituency feel satisfied with the household management of their representa-

tive servants: and the sooner they set seriously to work in the general improvement of their manners, the more it will induce the whole posse of the Proprietors to forget and forgive the arrogant and supercilious airs of some notables, who are too prone to assume much, if not the whole of their fame to themselves only; while we are well aware, that it is mainly founded on the capacious heads and comprehensive souls of those experienced faithful subordinates who compose that steady well-regulated machinery, which sets and retains every subservient movement in its allotted position; a species of perpetual motion, requiring no very brilliant exertions by the Chair or his Deputy, to keep all the springs and wheels-within-wheels perfectly a-going, even granting that both Chairs are invariably competent enough to superintend their official characters in the relative offices, most of whom are far better qualified to teach lessons to their supervising superiors than learn any from them, on any functionary theme whatever. The enormous tea tax, of itself, is sufficient to make the blood of the labouring classes in society to boil up and overflow with scorn for those who have aided and abetted, as we certainly have done, not merely in the collection, but in the addition to this astounding impost, whence millions of male and female bohea-sippers are driven from this innocent beverage to the demoralizing gin-shop, the obscure gambling-house, or the pestiferous brothel, the transition from each of which is but a step further on in the progress of vice to the ignominious gallows, and thence to its ultimate dreary abode, a disgraceful grave.

There is not one open-hearted member of our Honourable Corporation and united Stock Company who dare place his hand on his bosom, in the presence of Almighty God, and simultaneously declare his belief that so audacious a monopoly as we hold ought ever to have existed in the midst of a free well-informed people ; far less, that it should be retained one day longer than the necessary period for winding the concern up from the Company's

hands, and transferring it, on equitable ground, to the new free tea-traders of the United Kingdom.

If such a being there be, I envy not his feelings; and in charity for them, let us pray that he may still live long enough to acknowledge that rational liberty is the animating sun of commerce, the soul of unsophisticated religion, the bewitching bond of morality, and the endearing spell of social bliss; without it, mankind degenerate into crawling abject objects of contempt in their own eyes. With freedom in our hands and hearts, we rise to all the dignity of loyal citizens, who pity the tax-worn and priest-ridden subjects of those monarchies who dare not quaff the delicious draught from her flowing cup, which is gradually watering the fruitful tree of knowledge over the whole world, for the use of its votaries, and the boundless promulgation of political and religious truth.

We undoubtedly are bound, my friends and fellow-sufferers, to resign forthwith a boon, with a noble grace, to the British Public, which MIGHT, not RIGHT, wrenched from the grasp of the leek, the shamrock, the thistle and the rose, united; to demand its restoration into that channel whence it was robbed from Peter to pay Paul: — a demand founded upon fictions, instead of facts.

Being all Britons alike, the nation may yet be generous enough to admit us, our widows, orphans, and stockholders of all denominations—our soldiers, sailors, in short of every one within the pale of the Company's jurisdiction at home and abroad, into the sole palladium of the funds, the stock, and national debt, where only safety can exist during the decline of our own lives, or that of our contemporaries, heirs, successors and assigns.

We should candidly allow, before the tribunal of the people, that we have nothing to plead, as their guardians, protectors, or friends, against the reiterated prosecutions, persecutions, frauds, and misrule of every successive Ministry for the last century and a half: on the contrary, I fear that our splendid corporation has ever acted in

unison with institutions of that stamp, rather as the outposts and bulwarks of constitutional despotism as by law established, than as the powerful and undaunted defenders of the rights of man, which are on the high road speedily to be founded on truth, reason, and justice; and, above all, upon the universal education of free men, whatever their respective conditions of life may be. As to the idiotical jargon of higher, middle, and lower orders among our fellow-creatures, it has ever been denounced by me as blasphemy against God and the entire human race, whom the Almighty is said to have created after the express image of Himself, wherein superiority, mediocrity, or inferiority, appears each to my mental optics altogether inconsistent, if not impossible. These debasing and invidious expressions should be expunged from every patriotic politician's creed; and never introduced in a speech, but to laugh them all to scorn, and to hold them even unworthy of contempt.

The ups and downs of Fortune's wheel are frequently so sudden and unmerited, that riches or poverty are not a fair criterion of moral worth, no more than the nonsensical distinction which knaves and fools make between the vile stupid heir of a duke or an earl and the virtuous accomplished son of any respectable peasant or ploughman. The former would be entitled to the epithet of "low wretch and mean reptile;" the latter to that of "superior being:" for if any argument can vindicate ancestral pride, it should be the idea of such offspring being hereditarily inclined to emulate grand and illustrious deeds, to demonstrate that such naturally flowed from noble blood in their veins, which never should be sullied by shameless conduct. When hard pushed by the people as the aiders and abettors of their manifold wrongs inflicted by Tory, Whig, and boroughmongering delinquency—when imploring their fraternal adoption of our extensive claims to an impartial distribution of the Indian debt with that of the whole empire—we have no other remedy but to sing out *peccavimus*, with a promissory oath hereafter rather to transgress

against the Board of Controul, and the administration *pro tempore*, than with our eyes open, to fight with a countless population, which, sooner or later, in combats such as are at present on the tapis, must, in the long run, become victorious. Hence it is the clear interest of the independent majority of the Proprietors to stand or fall with the bulk of the nation, maugre the interested sentiments of our executives, which may easily be the very opposite of ours, seeing that they are to keep their former patronage, in concert with the cabinet ministers, besides the retention of certain immunities.

This concession seems to me a tolerable sop for Cerberus; but shall we be poltroons and blockheads enough to acquiesce in so iniquitous a compromise, with no more solid security for our pecuniary stakes in the British Empire, save and except the precarious tenure of the Indian Territory, which, by the successful revolt of the native troops, would be placed in so great jeopardy as hardly to be worth three years' purchase? That which happened once may be repeated; and I suspect some of you are well aware of heavy complaints among the British officers, even at all the Presidencies;—not yet very loud I grant, but deep enough, with a vengeance, to require some reasonable vent in time, to obviate an explosion that may soon shake the foundations of our mighty empire in the East to its very centre.

The Court of Directors, the Board of Controul, the Whig Administration, are fairly or foully embarked with ourselves in the selfsame bottom, where it would appear we are to sink or swim, with ignominy or honour, as well as we can, in the vulgar hope, however, of God for all, though the devil should take the hindmost; as the pious Welch parson observed when, at his desire, the whole parish congregation were to start fair to the plunder of a wreck on the coast near the church whence the race commenced. So long as a single old timber of the Ship-John-Company sticks to another I am not the boy to desert her

nor the honest part of her crew. Come! let us bravely launch our last skiff in the face of day! and since the song says a "faint heart never won a fair lady," we may joyfully bid misfortune adieu.

> Be calm, ye seas! hush, hush, ye winds!
> Nor war where peace prevails;
> Let gentlest breez[illegible]t my friends,
> When our ship spreads her sails.
> Fear not, fair maidens! trust the main,
> Nor doubt its frowning wave;
> For storms relent at beauty's pain,
> And fate will virtue save.
> Nay, gathering clouds too well you know
> Severer woes can't plan
> Than such as oft unpitied flow
> From smooth corrupted man.

Had the British Parliament at any period been a true representation of the people, instead of the gross misrepresentation which it has constantly evinced, the Board of Controul would have appeared an absurd *imperium in imperio,* and totally useless, to all intents and purposes, except that of constituting a large share of patronage to the ministry for the time being.

Having at length a reformed representative body, no Member of the Court of Directors will venture to overleap the bounds of discretion in his dealings with British India for a long time to come: the Board of Controul is consequently an expensive, useless, and inconvenient superfluity in the management of our affairs, and should *instanter* be laid aside as so much costly lumber: for in politics, as in mechanics, two instruments never should be introduced where one can answer the purposes expected equally well. And convinced that the Directors alone, under the vigilant superintendence of a jealous House of Commons and our own dear selves, will do more good without than with the intermeddling Commissioners, no reflecting

Member of the Proprietary Court will hesitate to join with my creed, for scouting them all from further intervention.

There will be another source of considerable addition to our funds, and security for the relative value of our stock, when, by the consent of the nation, it shall be indissolubly blended with that of the United Kingdom, as a bonus on our cheerfully washing our hands of all other indulgences but this sheet anchor of our welfare. Few men will deny that our political position is everywhere most alarming, independent of the ruinous failures that have lately occurred in British India—large enough, in their immediate effects, to shake the credit of the most secure houses of agency in that quarter of the world. We are bound, by the most sacred ties of blood, fellow-feeling, and ancient friendships, to rise as one man, and put our own huge house seasonably into a regenerative order; lest inevitable ruin, if we slumber on in fancied safety, come like a thief in the night, and hurl us from the summit of imaginary ease and affluence into a bottomless pit of penury and woe, where nothing then will be heard but weeping and wailing with gnashing of teeth at our own folly, with few eyes to pity, and no potent hand to save.

We have stood by, either in callous apathy or in arrogant activity, while the strength of the people was daily wasting away under loads of exorbitant taxation, till a crisis has begun, which may, in its destructive career, sweep us along with the noblest blood, sinews, and muscles of the poorest classes of society, into hopeless perdition: for we cannot lay much longer the flattering unction to our souls, that we alone shall escape the vengeance of retributive justice. We who stood aloof from the oppressed labourer and peasant for half a century, unconscious that the day and hour would, sooner or later, draw nigh, when in their turn they would laugh at our calamities, and mock us with scorn, in the moments of our own most poignant affliction.

My earnest admonition, if not already too late, is to con-

fess our transgressions, and shake hands most cordially with the liberal portions of our Welch, Irish, Scottish, and English brethren, in the bonds of love, peace, humanity, and mutual forbearance; and, in the teeth of a Ministry who have recently shewn a wish to bite, in concert with our own Tories, and the still more despicable hypocritical French *Doctrinaires*, who are at this moment converting, by their atrocious deeds, the grand majority of France into a consistent mass of gallant humane Republicans, determined never to submit, as subjects even, to any Prince who displays a drop of Bourbon blood in his disposition or veins. France, from one extremity to the other, is subdivided into four parties, all detesting each other, but with certain elective attractions, that may make the pending civil war in that devoted country terrible in the extreme. Louis Philip, who has not performed one single promise made by himself, or in his name, to the ardent Parisians who firmly seated him on his cousin's hereditary throne, has now upon his side the whole posse of place-holders and hunters, the wealthy aristocratical burghers of the capital, all the low vermin that live on the offals and garbage of a splendid court, the ambitious of titles, wretched peerages, and unmeaning decorations of honour among the manufacturing gentry, limbs of the law and physic; in short, of every young or old coxcomb, who is not a Carlist; and lastly, the high military and naval officers, who worship their king as a god, and spurn the people as the dust under their feet. The above is rather a formidable host; but let us observe their opponents—the flower of the French Youth in every Department of the State itself, and all the young men who glory in the name of freedom and liberty as the *ne plus ultra* of worldly felicity; nearly the whole body of talent, learning, and genius in the country; all the undaunted Poles, Italians, Spaniards, Portuguese, &c. scattered over each corner of France; in fine, the entire unadulterated population who are not ignorant and bigotted Catholics; and lastly, the Parisian Editors of liberal or

republican prints, whose swords are not less cutting than their pens, and whose courage is not a whit less than the most dashing officers of the guards possess, and with whom they have repeatedly had deadly combats on political grounds alone.

The third phalanx is formidable against Philip, merely by their huge properties, their great wealth, their stupid superstition, and profound ignorance: they will, on a pinch, unite with the *Doctrinaires*, or French Whigs, to crush, if both can, the staunch Republicans, whose numbers have astonishingly increased by reading the able *exposés* of the American President, Jackson; and from their intimate connexions with thousands of that magnanimous nation, settled or travelling constantly among their Gallic associates, where they embrace every opportunity of displaying the superiority of Republican to Monarchical governments, &c. I can testify, with a safe conscience, that they have not been preaching in France what is done in the United States, either to stocks or stones, but to fervent breasts, which are on the point, not only of invoking heaven and earth once more to rise in their defence, but actually have moved to begin the fray in various provinces and capitals of the kingdom. The Republicans have by far the best chance of success. Delays are not near so dangerous to them as precipitancy; which they are about perceiving, and will proceed with redoubled caution to their ultimate objects, as events hourly become more and more propitious. They despise the Carlists, and reject with contempt their proffered aid, which of itself would ruin any cause; but by itself it has become equally impotent with a green fat turtle when fairly laid on its back. Of the Buonapartists, very little is yet known, their numbers being nearly imperceptible among the people in general: pretended French glory is their war-hoop; but they have nevertheless many Republican propensities, and by that party are esteemed accordingly.

Nations have only commenced the process of amalgama-

tion, independent of their respective rulers; and the result is so conspicuous in France, that old animosities and unfounded prejudices are rapidly subsiding in the congenial spirit of mutual reconciliation between two people who had every reason to admire each other, but were trained by their respective kings, for their own infernal ends, to international butcheries. Let the populace of France, and that of the United Kingdom, cordially shake hands across the Channel, and the result will be, that Whigs and *Doctrinaires* shall never succeed in riveting the chains of either country, both having at length grown too wise to wear them for the sole benefit of their oppressors. Had the Cabinet perused with common attention the many admirable epistles in the *Morning Chronicle*, written under the signature of O. P. Q. relative to the last glorious Revolution in France, or a series of essays upon the same exhaustless theme which have appeared in that excellent periodical called the *Spectator* from time to time, our shortsighted Ministers could not have continued blind so long to the *Doctrinaire's* absurdities, nor to Philip's absolute propensities; which will yet, as sure as he lives, send him once more on his travels, to acquire common sense, instead of the pretended statesman-like tricks he has been constantly practising since July 1830, when he began slowly to betray the cloven-foot that has hitherto been so fatal to a race, which, in their capacities of the Kings of France or of the French, cannot be of much longer duration. The credit and character of O. P. Q. have been greatly depreciated, by a current report, that he officiates also in the double duty of jackal, or lion's provider, for the *John Bull* journal. This I deem a base calumny: for no writer of his talents, and claims of integrity, could so well serve the goddess of Liberty and the demon of Mammon: his admirers therefore, among whom I have ever been, or his own self, should give the lie direct to the abominable aspersions under which his good name is partially obscured, and the truths he tells are thus rendered equivocal. It it truly

astonishing that the valuable communications alone of this talented politician have not stamped a commensurate circulation and demand for the *Morning Chronicle*, in every country where our mother-tongue prevails. I conceive that the reprint of O. P. Q.'s Essays, and some equally potent, from the *Spectator*, would at this critical juncture fetch a handsome price, and do infinite service to the patriotic cause of political regeneration, from the rising to the setting sun.

The United Kingdom, including Ireland, on terms of honourable recipr ōcal advantages in every department of the Church and State, is so capable of surmounting all her formidable difficulties, of pecuniary debts and complicated legislation, in the lapse of two or three years, that we need not, my fellow-partners, feel the smallest uneasiness about the safety of our Indian Stock, in the event of the whole being placed to our credit on the national books—perhaps the only and best alternative left for us, as a simple body of creditors, to save our bacon, and get so far Scot free out of the scrape, even should the Whig Ministers at once step into the worn-out shoes of our selfish Directors, either with or without the Board of Controul on their shoulders. The whole of our faithful and brave servants by land and sea, in both hemispheres, and in every rank in their several departments, would then pass over very quietly to the King's Government, with no loss in their pay or any thing else; and we would thus be at least as sure of retaining our own share of the national funds, from generation to generation, as the whole of our fellow-citizens. The Directors, it is true, might bewail the loss of *their* patronage, salaries, and other conveniences to boot; but should this small sacrifice of an imperceptible minority be deemed indispensable for the salvation of us the grand majority, let it be made with the consolatory feeling, that all is for the best, and that on the day of the British nation's emancipation from the remains of her late villanous system of venality and corruption we shall be able to hail Britannia, in good

truth, as the Queen, the pride, glory, and envy of surrounding states, whose valiant sons and lovely daughters shall be free as the waves which guard her rocky shores, and happy in the contemplation of approaching prosperity over all parts of the limited British monarchy, founded, as it originally was, on broad republican principles, and still surrounded by them in shadow, if not in substance. A substantial commonwealth, as the despotic Elizabeth even was wont to term ours, must scout the monstrous fiction of a free constitution, as by that ominous nose of wax absurdly styled, by corruptionists, "law established," which, in fact, is one of the many fallacies that have been insidiously robbing a free and high-spirited people of their natural birth-rights, ever since William the Third, with his wily Whig associates, commenced the glorious Revolution for them, though a disgraceful and demoralizing Restoration, so far as the entire population are concerned. The peasantry, and such ignoble plebeians, are, nevertheless, still flogged into paying disproportioned exactions, performing onerous services, and, *proh pudor!* bravely fighting the superfluous battles of an oppressive Government. In victories of this stamp, the poor populace have no higher stake than risking their lives, liberties, and health, whenever imperiously summoned so to do by supercilious beings, who affect to despise them as a herd of sheep or swinish multitude, fit only for being driven by Aaron's rod into the red sea of warfare and carnage, whence the great consolation is to be knockt on the head, for the honour of the Lord's anointed, and the conservation of his concomitant oligarchy *in seculis seculorum.*

Those sympathetic and meritorious evangelical members of our corporation who cordially desire the extinction of every pagan abomination among our Hindoostanee fellow-citizens would do well to commence their charitable labours by preaching against and refraining from the fashionable practice of idolatry in the presence of their own sovereign lords and masters, who have thus been

taught to consider riches, titles, ribbons and garters, as the sole and genuine badges of virtue in every walk of life; while poverty, with an independent spirit, is hunted as a mad dog or eccentric fool, who has too long despised the golden roads of worldly wisdom, and who ought to be hanged without further ceremony, *in terrorem*, to all similar evil-doers. Religious precepts, unsupported by moral practice, can never go far in converting heathens in any clime; for they begin at length, from the dear-bought experience of local oppression, to learn that all jewels are not diamonds, merely because they glitter, *à la distance*, with the lustre of a divine faith in all things, but the certainty of eternal punishment for the pugnacious crimes that pious Christians are everlastingly committing against each other, or those very infidels whom they want to proselytize to the peaceful shades of saving grace. The Hindoostanees, in short, are fast learning our popular canticles; like this:—

The priest calls the pleader a cheat,
The lawyer beknaves the divine,
Kings and statesmen, by being too great,
Deem their calling more noble than mine.
Our doctors are all cut-throats named,
The druggists called poisoning elves,
Nay, each *living soul* in this world is blamed,
But those little sweet cherubs *ourselves*.
Were the fools, cheats, or knaves soon thrown down
From the top of St. Paul's, though alive,
Each poor wiser man might pick up his own,
And, thus thinned, all the people would thrive.
The plethoric fear of Malthusian creeds
Would be hushed in the bosoms of those
Who then gladly might view in such weeds
All the causes of Old England's woes, &c. &c.

A very great moral reform is essential, as a preliminary step among ourselves, to that efficient conversion of every foreign unbeliever; and though, in the mean time, we may congratulate ourselves on the abolition of infanticide and

(sutee marr) *viduæcide* in the East, even against the will or wish of the Directors, there is one more Moloch to be thrown down at *Jugurnath*, with all convenient expedition: —but of this blood-stained atrocity I may treat in a subsequent epistle. My admirable Hindoostanee friend, Raja Mohun Rae, honestly confesses, that should the small toll still levied upon the poor Hindoo pilgrims to that species of popular holocaust practised at Jugurnath be suddenly abrogated, this indulgence on the part of the Indian Government alone will cost the lives of some thousand more fanatic devotees than are now annually lost; but he recommends that the entire proceeds of a collection polluted with gore should never reach the Company's treasury, on any pretence whatever. The whole amount can be previously consigned to some eleemosynary establishment, for the sole benefit of the Raja's deluded countrymen, until matured ways and means be fallen upon to divest the minds of such victims into some more rational channels, and less sanguinary modes of worship;—in which I, for one, most heartily participate. To conclude these otherwise interminable themes of my first communication, let me conjure you all candidly to contemplate the banes and antidotes which have been placed by me before you. On one side, you probably may obtain, in concert with a fearless majority of a tolerably pure House of Commons, permanent repose on the imperishable means it will ever possess to discharge every honest debt by the funds of the nation, sacred to such a faith-redeeming purpose, without the useless and showy trappings of boundless conquests attached to your peace-loving firesides. On the other hand, you may enjoy, during one or two years longer, the golden dreams of lacs of rupees and shiploads of pagodas being still showered into your laps, from the bountiful cornucopias of your Grandee Directors, supercargoes, *et hoc genus omne,* who are at the head of your concerns; often in select mysterious Committees, of whose movements we are all kept as ignorant as the man in the moon, until it becomes indeed a matter of mere moonshine,

both to him and us, whether the mountain in labour with a mouse be worth even an ultimate *accouchement*. Alas! in the third year a chilling frost of bad news, or a martial fire kindled by divine wrath, may come to freeze the cup of bliss at your lips, or lay waste the fairest fields of India for ever, with all the stock-funds, securities, &c., founded upon them.

Utrum horum?—take your choice. I have done my duty: do you perform yours, whatever it may be. My mind is made up, to take no offence, but to leave the subject in peace with you and the whole of mankind, from whom, at the eleventh hour of my declining days, there is nothing to expect equivalent to the approbation of the few friends still left me, and that of my own conscience.

I remain, Fellow-partners, &c.

Your devoted humble servant and well-wisher,

JOHN BORTHWICK GILCHRIST.

14, *Half-Moon Street, Piccadilly*
April 13, 1383.

R. WATTS, PRINTER, CROWN COURT, TEMPLE BAR.

SUGGESTIONS

ON

EAST-INDIA TRADE.

LONDON:

PRINTED BY CHARLES WOOD,

Poppin's Court, Fleet Street.

SUGGESTIONS

ON

FREEDOM OF COMMERCE AND NAVIGATION,

MORE

ESPECIALLY IN REFERENCE TO

THE

EAST-INDIA TRADE.

BY

JOHN PRINSEP.

LONDON:

PRINTED FOR JAMES RIDGWAY, PICCADILLY.

1823.

SUGGESTIONS,

&c. &c.

THERE can be no stronger indication of the progress and diffusion of correct notions upon the subject of commerce in this country, than the necessity, which all writers upon its details appear to feel, of prefacing their remarks by some reference to those general and universal principles, the truth of which is daily more and more confirmed by the experience of individuals and of nations. That commerce thrives only in the genial atmosphere of freedom —that it languishes under the interference of authority, even when most sincerely exerted for its good—that it requires no other bounty or stimulus than the prospect of in-

dividual gain—these are maxims, that will soon obtain the common assent of mankind. In Britain, they have already become quite familiar and household doctrines, which to enlarge upon or to dispute would equally provoke derision. Indeed, it was but natural to expect, that the people, which in practice was, of all others, most deeply engaged, should, in theory also, prove the best proficient in matters of commercial policy.

It must be confessed, however, that we have purchased this superiority by no means at a cheap rate. The best school is said to be the school of adversity; and so it has proved in this, as in most other branches of knowledge. A series of political vicissitudes without any former example, either in frequency or in violence—diversions of the current of trade, which no exertion of foresight could have anticipated—vibrations of credit and of relative value, pregnant with private ruin and public danger—these, and a variety of concurring circumstances, have, for some years past, kept up a continual and feverish agitation in the mercantile part of the

community, that has tended very much to promote the spirit of inquiry, and to sharpen the speculative genius of the trading classes. The press has teemed with the results of their personal experience or sagacity; the materials of right reasoning have been multiplied exceedingly; and those materials have been successfully employed in leading the public mind to a just sense of the national interest. And so strong has been the conviction, and so decided the expression, of public opinion upon many important questions of domestic polity, as at length to have enforced the tardy attention and acquiescence of the public authorities, and to have overcome their characteristic aversion to every thing like innovation.

For it were vain to deny, that this progressive improvement, in theory and in practice too, is wholly referable to the sagacity and perseverance of individuals, and owes nothing to the exertions of men in office. The depositaries and agents of power have never shown much solicitude for the advancement of knowledge, in this or any other department. Had they par-

taken of that impulse, which has been acting so strongly upon their inferiors, there have not been wanting in our times abundant opportunities for its display, far more inviting than any presented in former ages.

In those periodical conferences, which the crowned heads of Europe are now in the habit of holding for the discussion of their common views and interests, it were surely not too much to have expected, that the concerns of commerce at large should have occupied some portion of their deliberations; for it was a matter wherein the subjects of all had the most evident, as well as the most intense interest. What more favorable moment for the adoption and promulgation of the grand maxim of reciprocity and freedom of intercourse among nations; for the explosion of the capital error of jealous exclusion of foreign products, by prohibitory laws or prohibitory taxation? What better opportunity for the common adjustment of some of those details, most important for facilitating the interchange of products between one nation and another; the establishment, for instance, of an uniformity of weights and

measures, and of a common standard of metallic money; or the assimilation of the laws affecting trade and traders, and commercial instruments? These, and such as these, were matters of common import to all, worthy of the grave attention of so august a conclave. Their settlement would have done more to promote the peace and welfare of mankind at large, and to ensure the grateful recollection of posterity, than any thing that has occupied the joint deliberations of princes since the era of the Reformation. And these were topics which the diplomatists of Britain, in her hour of triumph, might have pressed upon her allies, without exciting their suspicion or jealousy; whilst her enormous sacrifices in the common cause were yet fresh in their memory, and ere yet the prizes of her energy and the price of their acquiescence had been yielded up with heedless liberality. Nay, these were topics, the very advancement of which, on her part, must have given to other nations a pledge of her sincerity and liberal views, and spared her the ungrateful suggestion, so frequent in the mouths of foreigners, that, as all her

burthens had been incurred, and all her energies put forth on the narrow principle of trading speculation, they entitled her to no indemnity, and justified those they had finally rescued from thraldom in the adoption of an exclusive system, modelled on the plan of her own, and levelled expressly at her humiliation.

But the moment has unhappily passed unheeded, when the negociators of Britain could have urged these points with almost irresistible force: and ages may roll on before a similar opportunity may present itself to the hopes of mankind. The morrow of victory has been consumed in a sordid scramble for its spoils, with a total disregard to the wishes, the habits, and the interests of the millions transferred from hand to hand in this unhallowed traffic of domination. As might have been foreseen, the burst of exultation, which the change had at first excited, has long since subsided : it has given way to general and deep discontent, the expression or suspicion of which has become so alarming to the wholesale dealers and brokers in sovereignty, as to have left them little inclination to study

any thing beyond the bare conservation of their ill-gotten power, and the permanence of the monarchical system. Instead of making the extension of inter-national commerce the object of their debates, they seem to be laboring to confine it within yet more narrow limits. Liberal maxims of trade have become suspected, as akin to liberal maxims of government. To check their diffusion, to prevent their expression, to counteract their effect, every device is put into practice. The operations of the press are systematically obstructed, unless where it acts as the ally of authority. The activity of inter-national intercourse, the free agency of individuals, are repressed and violated. Prejudices are industriously revived; and calumny is let loose in all its virulence, to scatter the seeds of mistrust and discord. No means are neglected to weaken and distract, mislead and falsify public opinion, which they are unwilling to conciliate, and afraid to encounter, because they are conscious of deserving its hostility.

It is not difficult to foresee the result of these mischievous and ill-timed measures,

or to anticipate, at no very distant day perhaps, the violent reaction of an elastic principle, too powerful to be contained by such means, and the probable destruction of those who have ventured upon their application. For the present, however, they seem to have obtained an ephemeral success. At all events, they have the practical effect of prolonging, while they last, the insulation, in matters of commerce, of those nations that come within their operation; and of protracting the ruinous duration of a system, founded upon jealousy, exclusion, and monopoly; a system of retaliation, at the expense of self-denial, which aims at a state of independence, as unnatural to nations collectively as it is to man in every condition of his being; and perpetuates, if it does not engender, misery and privation

To such insulation most of the continental nations seem unhappily doomed for some time longer. Prejudice, and the ignorance of their true interest may, possibly, reconcile them to its continuance; and it is most certain, that, while one nation shall persist in upholding it, another will

find, or fancy, a necessity for doing the like; for each will stand to its neighbour, as it were, in the relation of a commercial antagonist. Fortunately for this country, even supposing the exclusive system to be in full vigor throughout the rest of Europe, or of the world, and that she were thereby compelled to the most selfish regard of her own particular interests, she is nevertheless invited by the strongest motives, even of mere self-aggrandizement, to the immediate adoption of the opposite policy. If it be true, that her rank amongst nations depends upon her maritime superiority, a position which her friends and her enemies seem perfectly agreed upon; it is no less true, that maritime commerce is the basis of that superiority. To animate that commerce, therefore; to multiply the objects of traffic, and the occasions of transport; to invite its extension by every possible facility; to excite new wants on either side, and to anticipate their gratification; to give to the commercial navigation of Britain such advantages of freedom as shall secure to it the preference in the carrying trade, are measures of the most obvious

benefit, whether other nations shall act upon the exclusive system or not. To her, indeed, the most desirable thing in the world must be, that freedom of commercial intercourse should be universal. For she, being possessed of the largest share of capital, industry, and knowledge, would naturally, in such a state of affairs, engross the largest share of the general commerce, of the supply of the market with manufactured products, and of the business of inter-national transport and navigation. This is at the same time her true interest, and the true interest of all other nations. But, if the ignorance or jealousy of others prevents her enjoying this to the full extent, what is there to preclude her from the benefit of such an approximation at least to this point of desire, as it rests with herself to attain? The removal of internal impediments to commerce; the entire and reciprocal freedom of navigation throughout all the parts of her own extended empire, spread out as it is into every quarter of the globe; the free mutual interchange of their respective products; and the most liberal admission of the products of foreign

nations to her home and colonial consumption, are all within her reach; she may at any time make them her own by her own will and act. Perhaps those foreign states, that have adopted exclusion from her example, may learn to amend their institutions by her example also; and it is to be hoped, for her sake and theirs, that they may. At any rate, until they do, there is no reason why Britain should refuse to her own commerce so vast an advantage, as such a change in her commercial policy would give it, over her less liberal and less wise competitors.

The necessity and expedience of such a change, indeed, are now pretty well understood; and the errors and prejudices of ages are fast yielding to the momentum of enlightened public opinion. The long promised equality and freedom of trade between Ireland and the rest of the United Kingdom is at length about to be realized. The rigor of the navigation act, that stalking-horse of the commercial system, that imaginary bulwark of our naval power, has been relaxed in many particulars; nay, the soundness of its principle has been called

into question, and almost abandoned in argument. The direct communication of the British colonies in America and the West Indies with foreign markets and with one another, has been legalized*. The trade from port to port within the limits of the East-India Company's charter, and that between those ports and the foreign markets of Europe and America, have been thrown open to British vessels†. The privileges of the South Sea Company have sunk into total oblivion. The East-India monopoly has been in a great measure broken down; and that of the China trade, though left for the present in the hands of a chartered company, seems tottering under the well-directed attacks of its adversaries, and will hardly endure for the full period of the legitimate existence assigned to it. All these are victories gained by the persevering efforts of reason, and afford the strongest evidence of a gradual approach to that sound and wholesome policy, which admits of no restriction upon production or consumption that can by any

* 3 Geo. IV, c. 44. † 1 & 2 Geo. IV, c. 65.

means be dispensed with, and leaves the wants of mankind to seek their own supply at the smallest expense of difficulty, and their industry to the operation of the best and only natural stimulus—the desire of gratification.

Of all these acquisitions, beyond question the most important, whether we estimate by the effect already produced, or by the expectation of future results, is the destruction of the East-India monopoly, and the opening of the markets of the immense area lately comprised within its limits to the competition of British capital and commercial enterprise. Yet none was more strenuously resisted both by argument and by influence. It was confidently predicted by the advocates of exclusion*, 'that the projected change, while it endangered the permanence of British dominion in the East, would be productive of little or no national benefit; that our manufactures would find no vent amongst

* Vide "*Minutes of the Court of Directors of the 4th of February*, 1801, *containing the resolutions of the Special Committee adopted by the Court*." Published in 8vo., together with several other documents illustrative of the controversy of that day, by Black and Co., 1809. Resol. 14, p. 84.

a population of manufacturers, whose very limited wants were amply supplied from their domestic resources; that the excessive eagerness of speculation would tend to nothing but the ruin of individuals and the impoverishment of the nation; that a great capital would be allured into a distant and hopeless adventure, disastrous to the traders, and injurious to the state.

But there were others of more enlarged and liberal views, even amongst the mercantile classes, who treated these alarming denunciations as groundless and delusive, and avowed their expectation of a far different result. "The wants of the natives of Hindustan, it is said, are but few; and that, beyond the attainment of mere subsistence, which in this plentiful and genial climate is easily acquired, the mass of inhabitants will never labor for the possession of the luxuries, or even of what we deem the conveniencies of life. The experience of past ages contradicts this assertion: for the wants of all men increase with their means; and every new enjoyment is the parent of a new desire. Ensure, then, to the Hindu the product of his labour

and ingenuity; teach him to exchange the surplus for his own benefit in multiplying his enjoyments; and I hazard little in assuming, that his propensities will be found similar to those of mankind in general, notwithstanding the influence of an enervating climate and tyrannical religion. What a prospect does this open to the industry of Great Britain, provided its products can be introduced at a reasonable rate, and *paid for with the productions of Bengal!*" Such were the words of a free merchant of Calcutta*, thirty years ago, and the experience of a very few years has more than verified his expectations; proving by the testimony of facts, that the natives have begun to feel the advantages of the security afforded by good government, and that their means have increased and engendered new wants.

For what is the picture presented to us, by contrasting the commercial position of Great Britain, in reference to Eastern Asia, in 1822, with that in 1813? Her exports to that quarter have progressively

* The late Mr. Anthony Lambert, a man of equal merit and modesty.

advanced from less than one to more than four millions*; and the returns, direct and indirect, *must* necessarily have been increased at least in a like ratio. The increase of tonnage employed to effect the transport must also have been proportionate. This is an increase beyond the most sanguine calculation. But our surprise and satisfaction will be still greater, on examining the items that form this aggregate. For, although some part of this vast amount is undoubtedly referable to the enlarged consumption of European products by European residents in Asia, which their increasing numbers and the decreasing invoice prices and rates of freight and insurance will naturally account for, the far greater part will be found to consist of the staple products and manufactures of Great Britain, of its metals woollens, hardware, pottery, glass, &c., destined to the consumption of the native population. These are both more important and more permanent objects of traffic, than the supply of a migratory population

* Vide Return of Exports for 1822, about to be laid before Parliament.

of Europeans with the precarious articles of luxury or vanity.

But the most extraordinary item of all is the article of manufactured cottons, which alone has progressively advanced, between 5th January, 1815, and 5th January, 1822, in declared value, from 109,000*l.* to 1,120,000*l.*; and, in quantity, from 818,000 to 19,919,000 yards: that is to say, more than *tenfold* in value, and *more than twenty-three fold* in quantity, in a period of *eight years!!!** When it is considered, that, long before and since the first establishment of the Company upon its shores, cottons had been the staple manufacture of India, and the grand item of its export to the markets of Europe also; that the *muslins* and *calicoes* of India had, for centuries, been the principal articles of commerce with the East, and the ordinary homeward investment of all the European Companies trading thither; and when, in addition to this, the difference in the price of labor in Europe and India respectively, and the distance of transport

* Vide Return to the House of Commons, Appendix A.

to and fro, are taken into the account, it is scarcely credible, that, in so short a period, there should have been effected a revolution of commerce so important in its nature and consequences, as, that the cotton-wool, grown in the East by a frugal, industrious, and dense population, should be made to bear the cost and risk of transport from India to Europe; and, after undergoing the process of manufacture there by a population infinitely less frugal, with every disadvantage of high wages, high taxation, &c. &c., to bear the cost and risk of a second transport back again to India in a wrought state, there to undersell the native manufactures, and rapidly to extinguish them by the competition.

Surely this is the very consummation of the triumph of machinery. Forty years ago the expectation of such a revolution would have been deemed purely idle. And, even since the commencement of the present century, when it began to be openly entertained by the manufacturers, it was looked upon by the rest of the world as a wild speculation. Yet eight years of *free trade* have realized this asto-

nishing change, and opened a field of promise, which it would be difficult to measure. For the present vent for this most important article, great as it is, sinks to nothing in the contemplation of the still further extension, not only possible, but almost inevitable. As yet, the consumption of British cotton goods in the East has scarcely exceeded the precincts of Calcutta, Madras, and Bombay, and the immediate vicinity of the European establishments. But the gradual abandonment of the manufacture by the natives, which is already in rapid progress, will leave the one hundred millions of population, spread over the peninsula of India, almost dependent upon this country for the supply of this, to them, indispensable article; and not the population of India only, but that of the numberless continental and insular nations, who were wont to supply themselves from India: to say nothing of the yet unexplored market of China, which is still within the pale of the Company's monopoly.

Here, then, has been opened a field of

adventure for the manufactured products of Britain, ample in possession, and boundless in prospect. And, as if more conclusively to establish the triumph of liberal maxims, it has been won without incurring any of those dangers to the permanence of our Indian empire, so confidently predicted by the advocates of the old system of exclusion. The territorial power of Britain in Asia, instead of being put in peril by " widening the channel of intercourse between her and India," has only been further extended and confirmed. The " ascendancy of European talent," instead of being reduced by the larger influx of Europeans, has been raised to the highest pitch of elevation ; insomuch, that even the bugbear of colonization, wherewith the Company were wont to excite the alarms of the public, has lost its terrors : nay, so entirely has opinion changed on these matters, that, instead of being regarded as pregnant with danger, it is recommended, by many of the highest authorities, both in England and in India, as the best and safest policy for the preservation of our Asiatic domi-

nion*. The dependence of India, it is now admitted, must rest on other and better foundations, than the exclusion of British talent and the perpetuation of native degradation. It must be secured by the sense of personal advantage, inspired by that protection of life, liberty, and property, which good government affords; by the vigilant superintendance of the conduct of the inferior, and the judicious selection of the superior, functionaries, to whom the administration of so vast and distant a territory, and of so various a population shall be confided; by the liberal and careful use of that enormous patronage, which is to supply the public service of India in every department; in fine, by the just and enlightened exercise of that power, which, however acquired, it is now a duty the conquerors owe alike to themselves and to the vanquished, to preserve by firmness, equity, and moderation.

But, to return to our immediate object of attention, the infinite importance of the

* Colebrooke's opinion is decidedly in favour of colonization; and the present Chairman of the Board of Control makes no scruple to declare himself an advocate for it.

commercial intercourse with the East, which the recent destruction of the old monopoly has given us but a taste of as yet, it behoves both thinking and practical men, by the utmost vigilance, to prevent any check to its growing magnitude, which ignorance or self-interestedness may attempt to throw in its way. It will therefore excite no surprise, that one, who has devoted a large portion of an active life to the enforcement of the benefits of a free trade to the East, and to the advancement of the just claims of the free merchant and ship-builder of British India, should expend some of the small remaining energy of it, in fixing the attention of Parliament and the country to some attempts, which have been lately made or renewed, and to some remaining obstacles, which threaten to deprive the nation of great part of the fruits of a victory fairly achieved and vigorously contested. Although some of them have already been made familiar to the public by the late discussions in the India-House and in Parliament, they are of sufficient consequence to find a place in the recapitulation of those difficulties,

which the commerce of the East has yet to contend against.

The first and most obvious is, the successful attempt to exclude East-India sugar from the home market of Britain, by the imposition of a higher scale of duty*, for the avowed purpose of giving a proportionate bounty and preference to that of West-India growth. This partial monopoly has been granted for a season, it is true; but, as its continuance will be contended for on the same principles that have prevailed to obtain it, now, on the eve of its expiration, is the time proper to expose their fallacy; and the question is one, not only of great moment in itself, but of more danger on account of the precedent it will establish. If the West-Indian planter can fairly claim a partial monopoly of the supply of this one commodity to the consumption of Great Britain, why not that of coffee, cotton-wool, indigo, or any other equinoctial product? The same ar-

* By 1 & 2 Geo. IV, c. 106: this part of its provisions will expire, as to Great Britain, on the 25th March instant; and as to Ireland, on the 1st of July 1824: but doubtless a great effort will be made for the extension of the term.

gument, employed in resisting the revival of the principle of monopoly in the instance of sugar, and in proving its inexpedience in every point of view, will equally apply to its extension to any other object of colonial production, which the embarrassments of the transatlantic colonies may lead them to press for. Let us take a view of the bearings of the question in reference to Britain, to India, and to the West Indies, respectively.

That the wonderful increase of the exports to India, and the still further increase of which they are susceptible, must be paid for with the productions of India of some kind or other, or must be altogether abandoned, is too plain to require explanation. Sugar, silk, cotton-wool, indigo, are the principal objects which the East can now offer for returns. The cotton fabrics, that, until the late revolution of manufacture in that commodity, constituted no less than two-thirds in value of the return cargoes to Europe, have been wholly supplanted in Europe and in Asia too, by those of Great Britain. India must henceforth look for its export to the raw pro-

ducts of its agriculture, of which sugar is not only one of the most valuable and abundant, but is almost the only one of dead weight that will bear the charges of transport. Abridge the homeward commerce of this most important item, and the outward will of necessity suffer an equal diminution, for want of any thing to be given in return. The present state of the exchange with India, and the uniform complaints of the exporters as to the difficulty and loss in procuring remittances, after the sale of their adventures in India, show the necessity of opening our home consumption to all the raw products of the East:—cotton-wool and silk for light stowage;—sugar and saltpetre for dead weight. The whole of them, when remitted in the greatest abundance that Britain can directly or indirectly consume, will fall short of the value of the great and growing supply of British commodities, which the wants of the East are willing to receive from this country. Virtually to exclude the article of sugar from the home consumption of Britain, will be tantamount to the extinction of so much of the export

thence to India, as a sugar return could be made to pay for. This would be a double sacrifice.

The benefit of procuring the satisfaction of our wants at the cheapest possible rate is so obvious, indeed, that, as far as the British consumer is concerned, it has not been attempted to point out any ground of expedience, whereon to justify the compulsory purchase of sugar of a dearer, in preference to that of a cheaper, growth. The West-Indian party has therefore been constrained to admit the protecting duty they have implored and obtained, to be a downright breach of national economy, and a violation of the rights and interests of the British nation at large, and to rest their case upon the consideration due to their present calamitous position, and upon the justice and policy of preserving to the colonists and the empire, a capital, embarked in the channel of West-Indian cultivation, in the expectation of retaining the virtual monopoly of supply of the home market with equinoctial products. Let us examine this position step by step.

In the first place, whatever may be the

effect of the protecting duty on the private interests of the individuals concerned in West-Indian cultivation, how can it be the means of saving to the nation, in its collective capacity, the capital unhappily so embarked? There can be no saving of capital, where the loss incurred in the attempt to save exceeds the value of the thing to be saved. The whole value of the West Indies to Great Britian consists in the market they offer to her products: and if Britain abandons an ampler market in the East, to preserve a smaller one in the West, does she not thereby sacrifice a greater value for a less? In the calculations of an individual, such conduct would be set down as an imprudent waste, instead of a saving, of capital.

In the next place, what was the monopoly, upon the expectation of which the capital embarked in the British West Indies was induced to take that direction? Assuredly not the exclusion of East-India sugar by a protecting duty: such a measure was never suggested until very lately. During the late war, and for many previous years, the West-Indian growers of sugar enjoyed a

natural monopoly, in the shorter distance and less hazardous navigation, in the greater cheapness of freight and insurance, and in the certainty of quicker returns. This is the actual monopoly, in the confidence of which his cultivation was undertaken; and this he enjoys at present, as much as when he first commenced his operations. It is secured to him by nature. It was not until the return of peace, seconded by the improvement of nautical science, had reduced the rate of insurance comparatively to a mere trifle,—and the sudden discharge into the channel of commerce of the immense quantity of tonnage occupied in the business of war, had brought freights down to a rate altogether ruinous to the ship-owner, whereby the *natural* monopoly was for a season rendered in a great measure nugatory,—that a protecting duty was *ever claimed or obtained*. But these were casual and transient circumstances, that could never justify an innovation, contrary to the interests of all the rest of the community. At all events, when their operation ceases, as it must do at no distant period in the ordinary course of events, the *natural* monopoly

will be restored to the full extent; and it is *upon that, and upon that alone*, that the calculations of the West Indian were built, and ought in reason and justice for ever to have rested.

But, further, can the capital thus embarked be eventually saved, even to the individuals concerned, by the protecting duty thus improvidently granted, supposing it to prove effectual in excluding the East-Indian product from the home market?

The French and Spanish islands, Surinam, Brazil, and the newly emancipated states upon the northern and southern continents of America, can produce cheaper than our own islands, and must all come directly or indirectly into competition with them. Are all these likewise to remain for ever excluded from the supply of the home market, as well as the product of Eastern Asia? Are the demands of all these regions for British products to be cramped, confined, or possibly extinguished, for the protection of a sinking concern, which probably, after all, may only be preserved, ere long to be swallowed up by the animosity of its own negro population, led on by another Tous-

saint, and stirred up by the marked distinction of color, and the never-failing instinct of resistance to oppression? This is indeed a fearful anticipation, even to those altogether unconnected with West-Indian affairs, but it is one that forces itself upon the attention of every political reasoner of ordinary foresight, and should never be lost sight of in estimating the value of its West-Indian connections to the British nation.

Hitherto the question of the protecting duty has been considered only in reference, either to the British consumer or to the West-Indian colonist; but there is a third party, that is quite as deserving of attention; and that is, the native population of India. By the prodigious revolution of the cotton manufacture above noticed, that population has been deprived of one great source of occupation and prosperity. The millions of hands lately engaged, during a large portion of the year, in the simple cotton looms of the native weavers of India, are thrown out of employment by the competition of British industry aided by machinery. In what way can they henceforth gain a sub-

sistence, or bestow their labor, but in the enlarged production of cotton-wool, silk, sugar, and other raw commodities? Sugar is for many reasons one of the most important. Are they not only to be shut out of their ancient channel of manufacture, in favor of the manufactures of Great Britain, but at the same time to be deprived of a market for one of the most valuable objects of their agriculture, in favor of rival growers in the West, who must always enjoy the natural advantages of lower freight and insurance, and speedier returns? Is nothing due to the Indian vassals of the empire for the loss of their own great staple of export and home consumption? nothing to the Company for the probable defalcation of its land revenue, which this extraordinary change will occasion? The parental care of the central administration is equally due to every portion of its subjects: tenderness must not be shewn to one at the expense of cruelty to another.

Moreover, it has been attempted to enlist the national prejudices on the side of the West-Indian connection, by extolling it as the best nursery for seamen, and the readi-

est resource for the manning of our navy in case of emergency. This is a ground yet less tenable than the positions already examined. Any external commerce, employing the same quantity of British tonnage, and the same number of hands in its navigation, will afford an equal nursery for seamen, and an equal resource in the hour of peril. Were the whole of the sugar and other colonial produce now imported into Great Britain derived from the East instead of the West, the least reflection must convince any man of common understanding, that, inasmuch as the voyage in the former traffic is twice as distant, twice as difficult, and twice as hazardous as in the latter, superior seamanship and double the amount of tonnage must be employed to effect the same aggregate import, and the export it would imply. Wherefore, in regard to the great national object of encouraging the maritime pursuits of our population, the intercourse with the East must be of double the value of that with the West. Nor is it any objection, that in the former the crews may consist partly of Lascars; for this will be obviated by the superiority of Europeans in

long and hazardous voyages. Besides, it is just as easy to exclude the employment of Indian as of Negro or foreign sailors by a legislative enactment*: and this is one of the provisions of the Bill brought forward, but not pursued, in the course of the last session of parliament.

Enough has been said to expose the injustice and inexpedience of the protecting duty on sugar, extorted by the representations of the West Indians in a moment of extraordinary depression. But it would be wrong to dismiss the subject, without a word or two of good-will addressed to the West Indians themselves. That they are now laboring under a calamitous pressure, which must sink them irrecoverably if it continue much longer, is most certain. Equally certain is it, that their hour of calamity has not commenced with the rivalry of East-Indian products. That rivalry, it is true, has been assisted by the concurring depression of the shipping interest, and

* This has already been provided for by the expression in the registry acts, "and navigated according to law;" *i. e.* by seven British sailors to every hundred tons, and a British commander, with a dispensation, however, in respect to the first requisite when British seamen are not to be had.

by the ruinous cheapness of freight and insurance, which, as above remarked, have weakened for the time the *natural* monopoly, which the difference of distance must always give. But this is a temporary circumstance, equally affecting all the other dependencies of Britain. The continued suffering and depression of the planters will be found to spring from very different causes —partly from their own imprudence and miscalculation, and from the extravagant charges of colonial government —partly from the protracted existence of a monopoly of their import and export, in favor of the mother country, even now but partially abandoned, though inconsistent with reason and justice; and to the yet more absurd monopoly of sugar-refining, for the advantage of some score or two of Germans domiciled amongst us—but, above all, to the exorbitant taxation of their products when destined to home consumption, to which they have been virtually confined: a taxation which no skill, economy, or diligence of the growers can long bear up against. This last is the real bane of our external commerce, foreign and co-

lonial. This it is that limits our home consumption, cramps the activity of an industrious population in every department of manufacture, and silently and indirectly promotes the relative advancement of our competitors.

If the West Indian would ever rise from his present depression, let him stir himself without loss of time to get rid of these burthens and impediments: let him reform the abuses of colonial administration: let him assert his right to supply himself at the cheapest hands with every object of his wants, and to sell in return his own products to the best bidder, wherever he is to be found; for neither has yet been fully conceded: let him demand the liberty of exporting his product in whatever state of preparation he may find most advantageous; and call upon the parent state to reduce the exorbitant ratio of her taxation upon her home consumption of his products. In all these demands he will be cordially supported by the rival growers of the East, as well as by the wishes and the interests of the British consumer, for all are alike concerned in enforcing them. But let

him not be guilty of the gross inconsistency of exclaiming against a monopoly that presses hardly upon himself, while he is at the same moment soliciting in his own favor another monopoly, equally oppressive to his rivals, as well as destructive of the benefit of the whole community. At present, he appears in the odious light of seeking to impose restrictions upon the commercial intercourse of a rival, at the very instant of the relaxation* of those which had obstructed his own.

So much for the attempt of the West-Indian party to exclude one of the staple products of the East from rivalry, by means of a protecting duty on its introduction into the home market. The other obstruction to the enlargement of our commercial relations with the markets of the East, which has attracted the attention of the mercantile classes, is the difficulty opposed to the freedom of navigation. This, though not of equal importance with the sugar question, is yet well worthy of consideration; not only on account of the

* By Stat. 3 Geo. IV, c. 44, 45.

actual injury sustained, but also, inasmuch as it exhibits another instance of illiberality and inconsistency, similar to that we have been just commenting upon. Let us see how the matter stands, in respect to the navigation between India and Britain.

This navigation, as the law now stands, is confined to vessels of not less than 350 tons burthen*, navigated according to law; *i. e.* with the requisites prescribed by the Act of Navigation†, and subsequent statutes on that head. And these vessels are obliged to provide themselves with licenses, specifying the ports and places in the East, whereat alone they are authorized to touch, and take in or discharge cargo. Thus, it is subjected to a twofold restriction: first, in respect to the size and tonnage of the vessels; secondly, in respect to the range from port to port within the limits of the Company's charter.

Against this double restriction, the trading and shipping interests of Great Britain very justly remonstrate. The former has been admitted to be utterly useless for

* 53 Geo. III, c. 155, § 13. † 12 Car. II, c. 18.

any good purpose*, and directly injurious to the owners and builders of all vessels of an inferior class. Both equally subject the British trader to a limitation, from which the foreign merchant is exempt. And the latter disables him from entering at all into that circuitous traffic in the Eastern seas, which may be necessary or beneficial for the obtaining a full return cargo for the European market; and altogether excludes British shipping from enjoying what is denominated, the country-trade. These inconveniencies have become so manifest, that the Government and the Company itself seem, in the course of the last Session of Parliament, to have agreed on the propriety of their removal†. And, if an obstacle has occurred

* Vide, Correspondence between the Board of Control and the Court of Directors, laid before Parliament 5th July, 1822. —*Parliamentary Papers of* 1822, *No.* 530.

† Debate on the Navigation Bill, House of Commons, 21 May, 1822. "Mr. Wallace; 'Our system, an artificial one, narrowed, and ought to be extended to the utmost verge. The benefits of unfettered trade ought to be *extended to whatever soil, climate, or quarter of the globe the trader's destiny attaches him.* The object of this Bill is to avow this end, or at all events to mark the disposition of Great Britain to effect it.'"—Vide, the Act 3 Geo. IV, cap. 43.

to retard this desirable measure, it has been interposed, partly by the refusal to abandon the protecting duty on East-India sugar, and partly by the blind selfishness of the shipping interest of Great Britain. Will it be believed, that, at the same time that the ship-owners and builders of Great Britain were pressing upon the Ministry and the Legislature a measure, designed to give themselves the free range of the Indian seas, and the free participation in the carrying, or country, trade of those seas, with the ship-owners of British India, they were actually laboring to perpetuate the total exclusion of these latter from the navigation with the rest of the globe, and to withhold from them the advantages of British registry, common to all other colonies and dependencies of the empire, and expressly secured to them by the terms of the Navigation Act? Nay, such a pretension is boldly avowed: it has been sanctioned by an Act of the legislature passed in 1814*, confining the privileges of registry to a certain class of India-built

* 55 Geo. III, c. 116, § 4.

ships therein specified, and excluding indiscriminately all those of after-construction: and ministers are pledged to support it*.

The right of India-built shipping to British registry is not a new question: it was fully discussed as long ago as 1785, when the late Lord Melville, then Mr. Dundas, took a prominent part in the affairs of India. It was then established by law†, and admitted as coming within the express terms of the celebrated Navigation Act‡. On the faith of this decision, British subjects settled at Calcutta, Bombay, and elsewhere, have since expended large capitals in the construction of docks and building of vessels there, for the purposes of trade between India and Europe. The vessels built there, which had presented themselves for registry before the general

* Vide, Correspondence referred to supra, p. 38 in not.

† 26 Geo. III, c. 60.

‡ 12 Car. II, c. 18, § 7, clearly defines what is to be understood by English shipping, *i. e.* "built in England, Ireland, Wales, Guernsey or Jersey, Berwick-upon-Tweed, or any of the lands, islands, *dominions, or territories* of his majesty, in Africa, Asia, or America, belonging to or in his possession."

opening of the trade in 1813, had met with no serious opposition; and those still in existence are now actually navigating with British registers*. Others would no doubt have presented themselves, but for the provision of the act of 1814†, which restricted the granting of registry for trade westward of the Cape of Good Hope to those already built, and the navigation westward of the Cape of Good Hope to such of these latter as were of the burthen of three hundred and fifty tons and upwards.

It is worthy of remark, that this is not an old monopoly which it is attempted to continue and uphold, but a modern innovation. The attempt to introduce it at the former period, when it was so warmly contested, failed of success; but now, that most of its old opponents have quitted the field, and their arguments are almost forgotten, it has been covertly renewed, with, it is to be hoped, a merely temporary success. It may be well to examine briefly for whose benefit it is intended, and upon

* Vide a return of their names and tonnage, Appendix B.

† 55 Geo. III, c. 116, § 4, referred to supra.

what grounds it is, at this time of day, endeavoured to be justified.

The object of the exclusion is openly avowed, not only by those most active in soliciting it, but by the Board of Control in its recent correspondence laid before parliament*. It is, to give a monopoly of ship-building for the East-India trade to the shipwrights of Great Britain; and of the navigation to the owner of British-built vessels.

In respect to the grounds of its justification, it may be useful to revert to the arguments employed in 1795, and industriously revived in 1814, for the purpose of reconciling the public to the Bill then brought forward. It was urged, on the score of policy, that it was most dangerous to permit the growth of a rivalry in British India to interfere with the prosperity of the ship-builders of Great Britain, on whom alone she can safely rely for the maintenance of her marine. Is it not somewhat singular, that this objection should not have occurred to the framers or admirers

* Referred to supra, p. 38 in not.

of the Navigation Act, or have been raised against the ship-building of the other colonies or dependencies of the empire, especially those of North America, now incorporated into the United States, and those still remaining to us in that quarter of the globe? What complaints have ever been made against the registry, the employment, or even the sale to foreigners, of vessels built at Bermuda, at Halifax, or in the river St. Lawrence? What national danger was ever apprehended from the construction of ships at New York, or any other of the ports of our North American colonies now separated from the mother country? On the contrary, it was wisely declared, that the diffusion of skill and capital in this important branch of mechanism over every part of the empire, contributed to the security of its maritime power; that the resources of one part might supply the casual deficiencies of the rest. Besides, the mere fabric is, after all, but a secondary consideration. It is in the stout hearts and skilful hands of a seafaring population that maritime strength consists; and not in the ability of the national shipwrights, or excellence of the materials they

have to work upon; although these are certainly most important objects. Where those hearts and hands exist, it is the interest of the nation, fortunate enough to possess them, to obtain the *materiel* of its navy at the cheapest possible rate for which it can be had from any part of its own dominions, or even perhaps from foreigners. And this point of view is most important to the question. For experience has unhappily shown, that the ships and sailors of North America may be formidable foes as well as able auxiliaries. But from British India no such reverse can be apprehended. Even supposing that India too should throw off the yoke of centuries, and retain the art of ship-building after her defection, to work up the excellent timber she possesses for the construction of a marine; is there any one so wild as to anticipate danger to our naval supremacy, from the enfeebled native sailors of our Eastern territories, who are most reluctantly entrusted with the management of vessels of traffic?

It would be the extreme of ignorance to imagine, that the admission of India-built shipping to participate on equal terms with that of British construction in the general

commerce of the world, could ever deprive the shipwrights of Great Britain of employment. It is well known, to all who have ever inquired into the subject, that the expenses of building in the dock-yards of India are so high, that, notwithstanding the durability of teak as a material, it was with the greatest difficulty they could maintain any thing like a competition, even in time of war, when the rates of building in Great Britain were swelled to the highest pitch, by the enormous demands of the war in the naval branch of expenditure. How, then, can such a competition be dreaded, with peace prices both of labor and of materials in Europe, when those of India have suffered no corresponding diminution?

The ship-builders seem aware of the weakness of their pretensions, by the anxiety with which they have exerted themselves to enlist on their side the prejudices and self-interest of the landholders, and to hold out to them the hollow bait of a monopoly of the growth of timber for the purposes of naval architecture. But, in the first place, the landholders may be

quite at their ease on this head, as far as India is concerned. Oak timber, under any circumstances, will, for many years to come, be preferred to teak as a cheaper material for the coasting and European trade, for the commerce of America, and for the navigation of the Eastern seas by Europeans. And, if they had not this assurance, still it requires little experience in matters of domestic policy to perceive, that the landholder of Great Britain is far more deeply interested in the general increase and prosperity of the national commerce with her own colonies and dependencies, and with other nations, than in the inconsiderable advance in the price of his oak timber, which the total exclusion of teak, whether wrought or unwrought, might possibly occasion. The nation, which can navigate cheaper than others, will be sure to engross the carrying trade, and with it the commerce it circulates; and it will be strange if maritime power does not follow in their train.

These arguments are, however, so flimsy, that it is scarcely necessary to dwell upon them longer. Indeed, so little weight do

they seem to have carried with the public authorities, that the Board of Control, in its late correspondence* with the Court of Directors, in which it avows the intention of ministers to continue the exclusion of India-built shipping in despite of the strong remonstrance of the Company, has not deigned to notice any one of them; but has placed its defence on the single and intelligible ground of the "state of depression under which the ship-owners now labor." This is at the least candid and manly. Let us look a little into the validity of this solitary plea.

The ship-owners are in a state of depression. True: of most ruinous depression. How came they so? Was it by the influx of the score or two of India-built vessels † that had found their way to European ports, and been admitted to registry previously to 1814, when their future admission was interdicted? Assuredly not. Their depression was a natural consequence of the transition from war to peace; of the cessation of

* Referred to supra, passim.

† For a list of their names and tonnage, vide Appendix B, infra.

the demand for the transport service; of the immense amount of tonnage suddenly released from that service, and returned into the general fund of tonnage applicable to the purposes of commerce. And if the ship-owner suffered, the ship-builder could not do otherwise than suffer. His business will be at a stand, until the glut of tonnage shall have gradually found a vent in the enlarged operations of commerce, or have been consumed by the ordinary course of wear and tear. Till that vent be found, vessels of large burthen will be hardly worth repair. But it cannot now be far off; the elements are fast executing their work: and, whether it be near or distant, the temporary depression can afford no reasonable pretext for an act of barefaced injustice to another class of ship-owners, at least as much depressed as themselves. The ship-owners and ship-builders of British India, all of them subjects, most of them natives of Britain,—are not they also depressed by the operation of the same causes? Their ships had most of them been built during the continuance of the Company's mono-

poly, when the Eastern seas were shut against the British ship-owner, except through the medium of the Company's service. The country trade was then their monopoly. That monopoly disappeared with the qualified renewal of the Company's charter in 1813, which let in the competition of British-built tonnage on a much more liberal footing than before. Peace crowded their harbours too with a great surplus of tonnage, seeking in vain for employment; they too were depressed, ruinously depressed. Where is the justice or policy of relieving one class of sufferers by increasing the pressure on the other? What would the ship-owners of Britain say to a demand by those of India for relief, by reviving the old exclusion of British vessels from the navigation of the Eastern seas, except in the employ of the Company?

The attempt, in favor of the British ship-owner and ship-builder, to exclude the teak timber and teak ships of India from a free participation with those of every other external possession of the British

crown, is but a part of the same narrow system, which suggested the exclusion of its sugar by a protecting duty in favor of the West-Indian sugar planter. Both are urged in the same spirit; both are instances of the pertinacity, with which the several classes of active life pursue each its partial and immediate benefit, to the prejudice of all the rest of the community. And mark the object and result of these and similar measures. India is to be the vent for the home manufactures of Britain; to take off her woollens, her hardware, her pottery, her glass,—the innumerable products raised by her skill and industry to meet or excite wants of every kind. Even her cottons are to supplant the labors of Indian looms, and to extinguish the occupation, that furnished with subsistence millions of the natives of our Asiatic provinces. Yet the products of India are to be excluded with the most invidious jealousy from the home market of Britain; her sugars by iniquitous protecting duties from British consumption; her timber from British dock-yards; her ships (and ships too are products) from British

registry and rights of navigation. At this rate, how is the intercourse to continue? Where the returns for an increasing export? What is to become of the industry of British India? And how is that general contentment of its population to be secured, on which depends the constancy of its allegiance?

It is time that Great Britain should begin to act systematically upon a maxim now admitted by all parties; *viz.* that there neither is nor can be any considerable external vent for the products of national industry, without the acceptance of external products in exchange; in other words, without the home consumption of foreign commodities: and that their exclusion, whether openly attempted by downright prohibition, or covertly effected by the pressure of taxation, tends but to the destitution of that very industry it professes to protect and promote. Perseverance in her present commercial policy must impair the prosperity, at once of the mother country and of its colonies and dependencies: yet the latter will not all suffer in equal degree. To her

transatlantic possessions it threatens total destruction: loss of income to the proprietor, of principal and interest to the mortgagee; bankruptcy to the trader and consignee; and the extinction of an extensive branch of commerce and source of revenue to the nation at large. The continent of India, though it has the most to complain of, has the least to apprehend: its injuries cannot extend beyond the privation of a lucrative intercourse, it has only now begun to enjoy or appreciate. Her population will only be thrown back upon its own resources,—compelled still to vegetate in ignorance upon the bare necessaries of life, to which it has been heretofore confined. A check will be given to all further growth of new desires, the gratification of which could not have been effected without infinite mutual advantage.

Yet what is there to prevent the gradual, but early, adoption of a more liberal and enlightened policy, for the common good alike of the colonies and of the parent state? Ignorance and prejudice no longer afford a pretext for the obstinate adherence to a system, which all exclaim against, and all

feel to be ruinous. The British consumer has a right to some relief from a scale of duties upon import*, which directly abridges his enjoyments, and indirectly paralyzes the national industry, without an equivalent increase of the national revenue. He claims, that the barriers of exclusion and exclusive taxation shall be levelled, or at least expanded. The West-Indians claim, and have already in part obtained†, a direct intercourse with the markets of other nations, which, if earlier admitted, might have alleviated some of their present difficulties, but which now can scarcely do more than enable them to supply the wants of their cultivation at a somewhat cheaper rate. The East Indians assert the right to the admission of their products in the markets of the

* Muscovado sugar, by the last printed average for October 1822, appears to have been sold per cwt. as follows:—

	East India.			West India.		
In bond	£. 1	8	0	£. 1	11	0½
Duty	1	17	0	1	7	0
Price to the wholesale buyer	3	5	0	2	18	0½

On clayed, of either growth, an additional duty of 5s. is charged.

† By stat. 3 Geo. IV, c. 44, 45, referred to supra, p. 36, 38.

mother-country, upon equal terms with other colonial growers, and of their ships to all the advantages of British registry. All these claims are equally founded in justice and expedience, though, in point of extent and importance, some are more entitled to consideration than others. For, what advantage can the insular possessions of Britain in the West, with their limited territory and population, present to British enterprise and capital, at all equivalent to the direct supply of the growing wants of the hundred millions on the continent of India, already within the sphere of British dominion, and the indirect supply of perhaps as many more, spread far and wide from the shores of the Red Sea to the extremes of the Eastern Archipelago, and of the redundant population of the Celestial Empire? Here is, indeed, a market for British manufactures, a vent for its surplus product, in comparison with which the expected demands of emancipated Spanish America, even if realized to the full extent, and superadded to West-Indian consumption, must, for ages to come, shrink into insignificance.

But, let it not be forgotten, that commercial intercourse can only be maintained upon the principle of reciprocity, even between a parent state and its own external dependencies. Receive the products of India in return, else she cannot pay for your manufactures: admit her teak timber into your dock-yards, like the fir timber of Canada, her ships to registry and free navigation, and her sugar, cotton, and coffee on equal terms with those of your West-Indian Islands, and the demand of Asia for your products will increase beyond your most sanguine hopes. Close your ports against her shipping, your arsenals against her timber, your markets against the products of her agriculture; and you compel the millions of your Eastern subjects to forego the satisfaction of their rising desires, by stifling the ability to gratify them.

These truths need only to be re-stated and kept continually alive in the attention of the public, to frustrate the exertions of those amongst us, who have a personal interest in the continuance of monopoly and exclusion. The ship-builders of the

Thames have no stronger claim to commiseration than those of the Hooghly ; the sugar-planters of Jamaica, than the cotton-weavers of Bengal or the Carnatic. The change of system, like the change of fashion, cannot be effected without individual loss : but those, who speculate upon the permanence of error and injustice, build upon a foundation of sand, and ought not to be amazed, if the fabric of their folly gives way, sooner or later, to the steady operation of truth and natural causes. Transition from a complex, unjust, and artificial state, to one more simple, just, and natural, will, doubtless, involve the ruin of whole classes of respectable individuals. But such is the inevitable result of the stern march of public events ; of the general improvement, which the last century has produced in civilization, art, and science, and, we must hope too, in true religion and morality. The consideration of private loss, even if it were not absorbed in the certainty of public gain, would yield to the conviction, that error, when discerned, can never be a permanent guide of human conduct, and that loss, at

one time or other, must be inevitable, though it may perhaps be deferred for a season

These impediments to the extension of intercourse between India and Britain, are equally important in practice and in principle. That they are so is pretty evident, from the anxiety evinced, on the one hand, by the trading and manufacturing classes to rid themselves of them, and, on the other, by those who derive a personal advantage from them, to secure their continuance. The stand made by the Court of Directors in the first instance, and the Court of Proprietors in their support, to resist any extension of the freedom of navigation and commerce within the limits of the Company's charter, although such extension is admitted on all hands to be most desirable, unless on the condition of the removal of these impediments, however paradoxical it may be in principle, will yet be entitled to praise, if it should have the effect of extorting the concessions demanded. Retaliation, indeed, has no other legitimate object than this, of compelling a wrong-headed antagonist to liberal conduct, and enforcing reciprocity

by the sense of mutual privation. This was the avowed object of the United States of America, in their recent measures of retaliation towards the trade of France and England; and with both it has been successfully pursued*. It is to be hoped, that, in a matter of domestic policy, England will not disdain to learn experience from a kindred, though now a rival nation: and that the enlightened president of the Board of Control, instead of yielding to the resistance of the Company, for the sake of preserving an undue advantage to the West-India planter, and to the British ship-owner and builder, at the expense of the nation at large, will see the wisdom and justice of acceding the only points in difference, and thus render his proposed Bill more complete and effectual.

There is yet another topic, which cannot be left altogether unnoticed, while the subsisting difficulties in the way of a more en-

* Vide, Convention of Commerce, ratified 3d July, 1815, between England and the United States of America, granting "free liberty to the subjects to come with their ships and cargoes to all places to which *other foreigners are permitted to come*, to hire and occupy houses and warehouses, and reside *in any parts of the said territories* respectively."

larged traffic with the untried markets of the East are under review. It is one of sufficient consequence to have attracted a great deal more of the public attention than seems to have been given to it. Yet it cannot be approached without considerable diffidence: and that is, the continuance of the trade carried on by the Company.

To those at all acquainted with the details of commerce it will be evident, that nothing can be more injurious to the private trader, who hazards his own talent, capital, and credit upon the fair calculation of the demand abroad and at home for the objects of his traffic, than to have to sustain a competition, not with individual talent, capital, and credit, animated by the same motives, and acting upon the same principles as himself; but with a great corporate body, possessing unlimited command of capital and credit, sure of the preference of the market, and able at any time, by its own operations, to vary the ratio of supply and demand without control, to render nugatory the calculations of individuals, and to make the expectation of profit or loss a mere gambling adventure. This must in all cases

prove a very serious impediment to private commerce; and it is a mischief inseparable from the existence of great trading corporations in a commercial nation. The mischief is felt most severely, when great abundance of capital and activity of trade have reduced profits to the lowest rate; which is precisely the case in Great Britain at the present period.

But the case in question presents this mischief in the form the most monstrous, that it could by possibility assume. For here the private trader has to compete, not with a corporate body, like the Philippine company of Spain, operating upon a large joint-stock capital, yet confined to the purposes of commerce, and obliged to look to commerce (monopoly commerce it is true) for the replenishment and maintenance of that capital, and for the dividends it shall make to the shareholders; but with a body, possessed of the sovereignty and public revenue of an area larger than most kingdoms of Europe, and covered with a population of fifty millions; which can supply the capital of its commerce from the receipts of a national exchequer, and indemnify it-

self for the losses of its own corporate trade, by the duties on trade carried on by its private competitors*. In the one instance, there is some little chance of prudence and foresight in the commercial transactions of the company. However cumbrous its operations and profuse its system of management; however liable to be cheated by its agents, and every way inferior in frugality, energy, and sagacity to the individual trader, still the end and object it has in view must be the same, though the means

* The power of the Company to impose *new* or *additional* duties in India, upon import and export, is qualified by the last Act for renewal of its charter (53 Geo. III, c. 155, s. 25); and, it is but justice to admit, that it has always been very sparingly exercised. Goods of British manufacture are subjected to a duty of 2½ per cent. only; and woollens, metals, canvas, and marine stores are admitted duty free. Foreign products pay 5, and wines and spirits 10 per cent., if imported in British, and double duty if imported in foreign bottoms. But, however moderate the exercise of this power, the objection on principle is equally strong. The import effected by the sovereign pays the duty to the sovereign: in other words, pays no duty at all. Supposing the gross price to the Indian consumer, inclusive of duty, to reimburse to the private importer the prime cost and charges only, without any profit to himself, he can have no inducement to continue his investments. But the import of the *sovereign* company will still have a motive; inasmuch as, although it can make no profit as merchant, it will gain the whole amount of the duty as sovereign. Herein is the inequality.

of arriving at it be ever so ill chosen or ill employed. In the other, even this inadequate security for good management vanishes : improvidence carries with it no self-punishment, no self-adjusting check, no germ of repentance. The trade is prosecuted as an engine of patronage, not as a means of profit ; and its operations perverted, ignorantly perhaps, or it may be intentionally, to injure and counteract those of the private trader, and to deter him from so unequal a competition. Thus, individuals are ruined or driven out of the field, and the company, as merchants, are not benefited : while the interests of the subjects of their sovereignty are wantonly sacrificed. The commerce of the trading sovereign is an item of annual expenditure, and not of income, like the national manufacturing establishments of tapestry and porcelain maintained by France ; and a part of that revenue, which is never justly levied but for the purposes of good government, is perverted to the manifest injury and loss of the subject community.

That this is no fanciful picture, must be well known to every merchant, who has

meddled with the East-India trade since it was thrown open to individuals. Did one house of business make a handsome profit upon a home-ward adventure of silk? In steps the Company, greedy to share the advantage; forestalls all the silk in the market; raises its price, and is probably a loser by the concern. Has another been fortunate in an out-ward investment of iron? The Company forthwith gluts the market with iron, to its own loss, and to the ruin of the private exporter, if he have been so unlucky as to repeat his dealing. Meanwhile, the speculator lies by with his capital in hand, and possibly in the end picks up a profit out of the folly of the one side and the unmerited misfortune of the other. Thus, it is the obvious tendency of the system to give to this third party, who is the least deserving, the whole of what poor private advantage can be saved out of the wreck of the general interests, that such a course of policy presents in the result.

It is time that this matter should be fully and rigorously inquired into; that the Company should be called upon by Parliament for a complete statement of the

profit and loss account of their trade since 1813, exclusive of the China concern. Should it appear, that even a considerable profit has accrued to the Company, it will infallibly be far too little to weigh in the balance against the manifold evils it must have occasioned to the private trade. But it will, doubtless, turn out just the reverse; a loss and not a profit will be shown: for it would be quite out of all reason to suppose the concerns of a great corporate company, with all its inherent disadvantages, can have been better planned or better conducted than those of individuals; and they have confessedly made a loss. How, then, will it be possible, on any rational ground, to resist the demand, that the anomaly of a trade carried on by corporate sovereigns should be abandoned altogether — when, besides its injury to private trade, it shall stand forth displayed to all the world as a losing concern, even to the conductors themselves?

But it is to be hoped, that the exposure, and the decision it must necessarily provoke, will be rendered needless by the Company's voluntary abandonment of

what must be found utterly indefensible. The great plea for the continuance of their trade has now become obsolete. The difficulty of making remittances for the support of the Company's establishment, and the payment of the interest of its debt in Europe, was always more imaginary than real. The increased and increasing amount of the private trade has removed it altogether; and the arrangements of the Indian governments for the future payment, in India, of the interest upon their debts, will dissipate even the shadow of such a pretext. If, notwithstanding, the Company should persist in a traffic, alike ruinous to themselves, and destructive of the common benefit of Britain and of India, their only ostensible motive will be, the desire to retain the paltry patronage derived from its prosecution. Is this a motive they will venture to avow, or to act upon in the face of the country? Is it one, that ought for a moment to arrest the solicitude of the Legislature for the relief of the distress and stagnation of the national commerce?

But the Company has too large interests

at stake, to hesitate about so poor a trifle. With a direct dominion over fifty millions, and an indirect one over as many more, it has enough to occupy its attention in the vigilant control, enough to satisfy its cupidity in the civil, military, and miscellaneous patronage, which the mere administration of such an empire involves. Constitutional jealousy has placed and preserved this enormous influence in their hands; in them constitutional jealousy will continue to leave it, so long as the confidence of the nation shall be justified, by the use that shall be made of this prodigious trust. Is it for the fiduciary possessors of so prolific and splendid a tutelage to oppose themselves to the desires, and to counteract the designs, of those, upon whose indulgence alone depends the permanence of their power and patronage? Such a machinery of government stands in need of more popularity, than even the most judicious distribution of its envied patronage can acquire: it can exist only by retaining the favor of public opinion; for it has no parallel in ancient or modern times, and has been adopted in this in-

stance with extreme jealousy, distrust, and apprehension.

When the family of Medici mounted from the counter to the throne, it had the wisdom to sink the qualities of the merchant in the nobler attributes of the prince. The Company too commenced as a trader, and has grown into a sovereign: can it not learn to follow such an example? Or, if it needs must retain the stamp of its original destiny, can it not be content with the China monopoly, while that abuse (for abuse it is beyond all question) shall be suffered to endure? Though trading sovereigns have been long since exploded, sovereign monopolists may obstruct the general good for a few years yet to come. But the Company must prepare itself ere long, to relinquish this last hold of its primitive institution, and, with the functions of sovereignty, to assume its virtues and its dignity.

But these, perhaps, are suggestions, beyond the immediate scope and object of these pages. It is sufficient for our present purpose to point out a mischief, which is every day growing more serious, and to

denounce to those, who look to the East for the amplest extension of British commerce, this other great obstacle to its progress. Whatever be the course adopted by the Company, it is fit the public should know its own interest, and be apprized, if it be not so already, that, besides the virtual exclusion of the sugars, and the refusal of registry to the shipping, of India, this additional impediment stands in the way of the full perception of those benefits, which the markets of the East offer in unlimited profusion to British industry and British enterprize.

THE END.

APPENDIX.

APPENDIX A.

COTTON GOODS.—RETURN to an Order of the Honourable House of Commons, dated 10th June, 1822;—*for*

AN ACCOUNT OF MANUFACTURED COTTON GOODS, PRINTED AND PLAIN,

Which have been exported from Great Britain to Ports and Places to the Eastward of the Cape of Good Hope, from 1st January, 1813, to 1st January, 1822; signifying the Number of Pieces and Yards, and the Value thereof, and distinguishing the Quantity and Value of each Year's Export.

YEAR ending	PRINTED COTTONS.				PLAIN COTTONS.				Cotton Manufactures of all other sorts.			TOTAL Declared Value of Cotton Goods Exported to Ports Eastward of the Cape of Good Hope.		
	Quantity.	Declared Value.			Quantity.	Declared Value.			Declared Value.					
	YARDS.	£.	s.	d.	YARDS.	£.	s.	d.	£.	s.	d.	£.	s.	d.
5th January, 1814...	Records destroyed by Fire at the Custom House.													
1815...	604,800	60,100	9	4	213,408	30,817	17	6	18,561	16	6	109,480	3	4
1816...	866,077	72,960	3	10	489,399	57,966	19	5	11,484	2	4	142,411	5	7
1817...	991,147	72,386	8	9	714,611	70,827	11	3	17,320	3	10	160,534	3	10
1818...	2,848,705	198,330	2	7	2,468,024	195,170	0	0	29,313	12	9	422,813	15	4
1819...	4,227,665	292,282	1	4	4,614,381	373,633	1	5	34,977	11	6	700,892	14	3
1820...	3,713,601	233,618	12	2	3,414,060	219,399	6	1	8,248	13	3	461,266	11	6
1821...	7,602,245	474,004	7	3	6,724,031	343,124	18	11	33,752	0	6	850,881	6	8
1822...	9,979,866	587,523	11	0	9,940,736	508,805	18	9	23,995	15	1	1,120,325	4	10

Inspector General's Office, Custom House,
London, 15th June 1822.

WILLIAM IRVING,
Inspector General of the Imports and Exports of Great Britain.

APPENDIX B.

An Account of the Number of Ships *built in the East Indies*, with their Tonnage, for which Certificates of Registry have been granted since January, 1795, in the Port of London, and in the Outports.

Ships' Names.	Tonnage.	Ships' Names.	Tonnage.
Sparrow	147	Medway	192
Britannia	520	Althea	810
Charlotte	269	Wellesley	825
Anna	684	Bellona	577
Nonsuch	483	Seringapatam	357
Harriett	373	Cartier	?91
Abercromby	615	Duke of Bronti	170
Warren Hastings	450	Admiral Rainier	886
Royal Charlotte	677	Porcher	772
Anna	899	Sarah	935
Berwick	426	Juliana	502
Eliza Ann	492	Aurora	568
Surat Castle	1139	Lucy and Maria	753
Carron	1072	Marian	350
Lady Shore	482	Hope	562
Cecilia	478	Union	748
Bangalore	291	Countess of Sutherland	1509
Gabriel	867	Arran	344
Varuna	548	Clyde	600
Caledonia	848	Ruby	271
Cornwallis	716	Mangles	574
Minerva	564	Sir William Pulteney	609
Exeter	503	Star	119
Highland Chief	462	Matilda	762
Calcutta	768	Hope	301
Shaw Ardasher	868	Margaret	275
Scaleby Castle	1237	Fortitude	477
Armenia	518		
Cuvera	935	56 Ships, and 33,570 Tons.	

Vide Reports and Papers on India Shipping & Trade. (*Black.* 1809.)

LONDON:
PRINTED BY CHARLES WOOD,
Poppin's Court, Fleet Street.

A LETTER

TO

SIR CHARLES FORBES, Bart., M.P.

ON

THE ADMINISTRATION

OF

INDIAN AFFAIRS.

BY A CIVIL SERVANT.

LONDON:
JOHN MURRAY, ALBEMARLE-STREET.

MDCCCXXVI.

LONDON:
Printed by WILLIAM CLOWES,
Northumberland-court

A

LETTER,

&c.

London, May 9, 1826.

MY DEAR SIR,

In conversation with you last year, you expressed a wish that I would give publicity to the opinions, which I had frequently expressed to you, on the subject of our Indian affairs. I then promised that I would do so; and I now proceed to redeem my pledge. Had I employed the interval in arranging my thoughts on the subject, and consulting the official documents and contemporary works, by which my opinions must be supported, the present letter would have been worthier of your perusal; but various circumstances prevented me from undertaking the work at the time; and I am now reduced to haste in the composition, from a fear of losing the advantage of temporary interest, by which alone so imperfect a production could be justified.

Writing in London, it may not seem unreasonable that I should commence with a view of the distribution of the home authority over the affairs of the vast empire of India. I am aware that this part of the subject is "atrox prœliis, discors seditionibus;" but as the present charter is drawing to a close, it may not be inexpedient or premature to discuss the merits of the existing system.

The administration of the affairs of India is vested in the proprietors of East India stock, the expression of whose opinions is conveyed by the votes of those proprietors assembled in court. The directors are their agents for the *ordinary conduct* of their affairs; are appointed by, and responsible to them for the exercise of the trust reposed. I have used the expression *ordinary conduct* of their affairs, because I conceive that the interference of the Court of Proprietors has not been sufficiently exerted on circumstances either of political or mercantile vicissitude: in fact, until within the later years, when the personal activity and ability of a few individuals has called general attention to the occurrences of our Indian empire, the proprietors were considered as mere receivers of dividend, and sanctioners of pensions and gratuities.

The spirit of inquiry, however, may be now said to walk the face of the waters dividing Europe from India: the press is daily annihilating distance; and the proprietors will be singularly wanting to their own interests, and show themselves unfit to retain the continued management of that empire, which the East India Company originally acquired for their country, if they do not employ the interval between this period and 1833, in a systematic and persevering examination of every branch of their affairs, so as to merit either a renewal of the charter, or to deserve the thanks of Parliament, for the state in which the great trust may be transferred to other hands.

In looking at the constitution of the Court of Directors, to whom the daily and detailed superintendence of Indian affairs is entrusted, the first remark that I would offer is, that it is not presumed that the whole time of the members, admitting the usual seasons of vacation, is devoted to the business of the court; on the contrary, the Directors have various other occupations; and it may be said, almost without incurring the imputation of injustice, that the time of many directors is chiefly taken up in answering the various applications, to

which their immense patronage renders them liable. If, indeed, the various interests by which the Directors are originally appointed, and, as the practice has become, retained, *durante vita*, in their situations, be considered, official qualification would seem to be of little moment;—once in that court, courtesy and manœuvre maintains them to the end of their natural lives—there is no superannuation for an East India director; and the security of his seat is not affected by the degree of application that he may give to the duties of the really important situation in which he has been placed.

But if official qualification were the main ground of appointment, the distribution of the business is such, as to render for years that official qualification useless. A gentleman who may have held the highest office in India, that of member of the Supreme Council in Bengal; who may have reached that distinguished situation after a series of years passed in the political department of the service, is employed for some years of probation in the Committee of Warehouses, and of Shipping, as if the object were to expel all previously-acquired knowledge from his memory, and thus ultimately fit him for the Committee of Correspondence. Military

talent and service would have also to run the same course, and it may, therefore, fairly be presumed that, on admission to the Committee of Correspondence, the member of council and the military commander will have reached in the descending, the same point as the shipowner and merchant in the ascending scale, so that there will be no decided superiority of knowledge to affect the value of their respective opinions.

It is singular that with the increased importance of the duties which the Court of Directors have had to discharge, and still more with the augmented diffusion of knowledge on all subjects connected with our Indian Empire, that has been effected of late years through the activity of the press, no alteration in the distribution of business should have taken place within the Court itself.

The affairs intrusted to the management of the Court of Directors, as they are those of an empire, are obviously susceptible, with some special addition, of the usual division belonging to all administrative bodies. Judicial, to which might be joined Education and Religion, Military, Financial, including Commercial, Political or External Relations; and, lastly, in the class of special addition, London,

which would comprise the communications with His Majesty's government: these, in the aggregate, would form five Committees, four to consist of five members, and the last or London Committee, to which also the duties of a Secret Committee might be assigned, of four members, giving to the chairman of the Court of Directors a casting voice in the committee. The deputy-chairman also to be *ex officio*, a member of the London Committee.

Under such an arrangement of business, the knowledge acquired by the Civil and Military Servants of the Company, during a long residence in India, would not be lost to the direction of affairs; and higher motives than the mere possession of patronage would be held out to candidates for the office of director: the object would then be the general superintendence of those great departments of Indian administrations, in the details of which the best years of youth and manhood had been employed.

A more frequent change in the composition of the Court, than the courtesy practised towards the House List (as the six members out by rotation are designated) would be desirable,—a life-interest in such an office as that of one of the ministers for

conducting the affairs of India, resting merely upon integrity and decency of behaviour, is much too secure a tenure, and leaves too little motive for continued exertion. It would also be advantageous that the Chairman and Deputy should be chosen by the Court of Proprietors, an election to take place every four years. Under such a mode of election, some reference to general qualification, and to fitness for conducting the intercourse with His Majesty's government, might be expected, for without intending any invidious allusion or the slightest personal disrespect, it may be assumed that the deck of a merchant vessel, or the recesses of a London counting-house, are not likely scenes for acquiring the knowledge or habits best qualified to discuss great questions of empire, either in deliberation with, or opposition to, the Cabinet of Great Britain.

The present distribution of business in the Court of Directors takes its rise in the predominance of the mercantile character of the East India Company, and the Empire of India has come upon the Court without much alteration of arrangement, or change of composition. We do not, however, live in an age when antiquity of form is much respected, or when

that plea will be allowed for the maintenance of institutions that are unfitted to the times, and inadequate to their objects.

It is, therefore, the interest of the Court of Proprietors, and of the Court of Directors, to make a distribution of business more suited to the larger trust, namely, the government of India, and less cramped by the maxims and practice of the counting-house. There is no royal road to knowledge, and the individuals, whom the tactics of Leadenhall-street place in the situation of Chairman of the Court of Directors, are no more fitted to preside over the council which decides in the first instance on the merits or demerits of a Governor-General, than to appreciate the fitness or otherwise of an ambassador at Paris or Vienna.

In latter years, to remedy this admitted want of knowledge in the Committee of Correspondence, gentlemen of literary qualification have been induced to accept the office of examiners or senior clerks; they are the readers and prompters of the Court of Directors, but the ablest reader and best prompter can never transfuse, with sufficient correctness and rapidity, his knowledge, so as to secure the principal actor from the appearance of

incapacity. Among the proprietors are to be found individuals fully qualified for the discharge of the important duty of directors, but there must be no perpetuity in the office, no recommendation from authority of members out by rotation—in truth, a quadrennial election of the entire number, and that number itself reduced to twenty-four, would be the arrangement best calculated to secure fitness and assiduity. Where that fitness and assiduity had been displayed, re-election, though no longer a certainty, would be the probable consequence and reward. As the uncertainty of re-election would necessarily, under the head of patronage, diminish the value of a seat in the direction, an increase of positive salary would be reasonable,—the present salary is so inadequate, that the patronage must be viewed as the remuneration; and when it is considered that a director may be said to be elected for life, if he enjoy that patronage twenty years, the value in writerships, cadetships, &c., is quite enormous*. This distribution of patronage, while equal to the

* It was said, that last year the patronage of each Director consisted of three writerships and fourteen cadetships, exclusive of appointments of assistant surgeons. Taking the value of writerships at 3000*l*. each, and that of cadetships at 800*l*., the whole amount of patronage will be, without the assistant surgeons, in value 20,200*l*.

highest, much exceeds the ordinary services rendered to the Company by the East India Directors, and, in the aggregate, much transcends as to positive value that possessed by any one minister of the crown. Any measure which opened the election of Directors, and diminished the duration of individual interest in the office, would have the effect of diffusing the patronage, and, therefore, strengthen the argument in favour of renewing the charter, which is derived from the constitutional objection to concentrate that immense patronage, by placing it in the hands of the crown.

As it is my anxious wish to support my particular opinions on the constitution of the Court of Directors entirely upon general grounds, I will not enter into an examination of the injurious manner in which that constitution and the mode of election have operated upon the home concerns of the Company, more especially on the management of their trade with India; nor would that with China prove more advantageous, were not the fostering but antiquated hand of monopoly applied to its maintenance. My conclusion is that the composition, internal distribution of business, and, specially, the mode of election of the Court of Directors, renders them unequal efficiently to discharge the important

duties with which they are invested. The changes which I have suggested on these points would, I feel assured, remedy the defects; and I cannot believe that the legislature will grant a renewal of the charter, without requiring some pledge of greater efficiency in the body by which the affairs of India are practically administered.

But, it may be asked, Does not the Board of Control supply all the qualifications that may be wanting in the Court of Directors? Are not the Commissioners for the affairs of India taken from the same class as the Commissioners of the Treasury or Admiralty? Have we not here men with the views of statesmen, and with minds habituated to the largest questions of government? This may be true, but the general operation of the Board of Commissioners is that of control and supervision, not of origination or execution; and it is not to be expected that a public man can, under the practical duties which as President of the Board of Control he has to perform, ever take the same interest, or apply the powers of his mind and character with the same intensity, to a superintendence at second hand, as if he had an original exercise of authority over the details and circumstances of the Indian

Administration. This is the less to be expected, when it is recollected that the affairs of India form a subject little connected with the other branches of administration, and which, consequently, does not enter into the course of previous study and practical information deemed necessary to a parliamentary career. It may be affirmed that to control the details of Indian affairs efficiently, the acquisition of a new language is necessary. The terms of judicial, revenue, and military detail are different from those of Europe; the principles of administration, in their application, exhibit great difference and variety: these terms, these differences must be acquired before the correspondence from India can be understood; and although the composition of the Board of Control be, in point of general knowledge and parliamentary talent, unexceptionable, it is not to be supposed that any three individuals, however able, can be, without previous study or local information, qualified to control the details of an administration abounding in peculiarities, and differing essentially from that with which they have been before conversant. Political accident may place, as in the instance of the late Earl of Buckinghamshire, an individual

in the office of President of the Board of Control, who, from having been governor of Fort St. George, brought to the situation a practical knowledge of Indian affairs; but such an appointment was a fortunate accident, and an exception to the ordinary course.

It is not by these observations intended to deny the utility, or the constitutional necessity, of the Board of Control; the sole point which is meant to be established is, that as the mutability of the members of the Board of Control, and the general pursuits of public men in England, render the possession of detailed knowledge very improbable, an improved constitution of the Court of Directors becomes indispensable, to secure the exercise of efficient superintendence from home over the affairs of our Indian empire. In the parliamentary responsibility to which the members of the Board of Control are subject, for the general conduct of Indian affairs, the nation has, unquestionably, a great security that no act of public or private oppression will be committed by the servants of the East India Company; and it would be doing great injustice to the ability and high character of the individuals by whom the offices in question have been and are still

held, not to express a conviction that the duty of control has been conscientiously and beneficially exerted. This control and parliamentary responsibility is the more necessary, as the Court of Directors, as a body and individually, appear to be irresponsible; and there can be no doubt that neither the interests of the Indian empire, nor the rights of individuals could be considered, in theory, secure, under the secret and uncontrolled exercise of an authority, that is not practically subject either to removal, or to public investigation.

The political events of the last thirty years, by annihilating the independence of all the native princes in the interior of India, with the exception of Scindiah, has given a different relative character to the presidencies in India, which renders a change in the arrangement of the higher functions of the executive authority, if not indispensable, at least expedient.

The subordinate presidencies of Madras and Bombay are no longer in the neighbourhood of states, which however unable to contend against

the united strength of the British power, were equal to the invasion of the territories under their respective superintendence. While such a state of things existed, although a general control was placed with the supreme government at Bengal, this control was necessarily subject to exigencies, which might not unfrequently require the exercise of independent authority. Political relations were to be maintained in the name of the subordinate presidencies with neighbouring states, and all the higher functions of executive power were to be performed: practically the independence was so felt, that the interference of the supreme government was but rarely exerted, and as seldom well received.

The presidency of Fort St. George had, during the last century, to watch the constant hostility of the Mahommedan Princes of Mysore: the relations with the Nabob of the Carnatic, and the Rajah of Tanjore had not lapsed into personal subjection. Hyderabad was necessarily an object of attention; while on the western coast of India, the Rajah of Travancore presented all the importance of an independent prince. The relations with the Hyderabad government have now been transferred to the superintendence of the Bengal presidency, and

even if that had not been the case, the diplomatic importance of the state is at an end. The political independence of the Nizam has perished in the embrace of our subsidiary alliance: the recollection of the past might rouse the subsidizing prince into petulance, but he could scarcely be goaded into open hostility. The business of the Madras presidency may, therefore, be viewed as principally municipal, and, therefore, as not requiring the forms of an independent executive.

The total annihilation of the power of the Paishwah, and the complete application of the subsidiary system to the Guicowar, has deprived the presidency of Bombay of those varying diplomatic relations with the contiguous native states, which rendered its former comparative independence necessary. The intercourse with the Umeers of Scind was, in 1809, taken out of the management of the Bombay presidency, and as that country borders on countries quite external to our empire, there can be no question that the direct superintendence was best placed with the supreme government.

Persia and Arabia, from their geographical and political circumstances, connect themselves with Europe, and, consequently, the management of the

British relations with those states can never be left, on the mere ground of proximity to a subordinate presidency. Without entering into further detail on this part of the subject, I will assume that no circumstance of diplomatic or belligerent necessity requires a continuance of the present form of executive administration; and if this be true, can the form be justified for mere municipal purposes? I should say not.

Our empire in India has now become so continuous, that for all the great purposes of Government, it should be viewed as a whole. The object should be to establish, in progress of time, the same judicial and fiscal system throughout all our dominions. A division into departments or provinces should be made, and these should be administered, and defended by one general body of servants civil and military. This implies a consolidation of the three existing armies into one, to be distributed into divisions, according to the exigencies of the empire generally.

The internal administration of the provinces would, under such a system, be most advantageously conducted by presidents assisted by councils, with whom would rest the highest judicial and fiscal

authority within their respective geographical limits. In reference to the chartered courts of justice, which exist at the subordinate presidencies, those towns should continue the seats of provincial governments; the number of these last would, however, require increase proportionate to the extension of territory. In this view the Bengal Presidency would form at least two provincial governments, while central India would obviously present a third. This rough outline would raise the number of subordinate presidencies to five. The supreme government would, under such an arrangement, in form, approach nearer to a Vice-Royalty than at present, and in truth that is its fittest denomination and character. The supreme government is the representative of the authority possessed by the English Crown over the totality of the Indian Empire, and its organization and powers should be adapted to that object. For this purpose I would propose that the Governor-General, or Vice-Roy, should be assisted by a Privy Council*, to consist of seven members, one

* Under this arrangement the duties of the Provincial Councils would be strictly ministerial, and all the functions of sovereignty would be exercised by the Supreme, or Vice-regal Government.

of whom to be the Commander-in-Chief of the Indian Army, and three of the remaining six to be servants of the East India Company, civil or military, according to fitness, while the three other seats in council should be open to selection, generally, in the same manner as the governments of the presidencies are filled under the present system. Such extended eligibility would be essential to secure that proper admixture of European principles of policy and administration, with local information, and local habits, which is indispensable to the due conduct of a government not referable only to the immediate subjects, but to an authority exercised from a distance, and in a state of society abounding in circumstances of moral and political difference. The provincial presidencies would be best filled by the servants of the East India Company generally; and the councils might consist of five members including the president. As the judicial and fiscal administration would be intrusted to these councils, the functions of the existing Courts of Appeal and Boards of Revenue and Trade at the several presidencies would be merged in them; and, therefore, without entering into arithmetical details, it will readily be conceived that

no increased expenditure would result from the arrangement.

The appointments of Writers and Cadets would be in future to the general service, and their points of destination, whether to Calcutta, Madras, or Bombay, would remain unchanged.

At each of these cities, a college is required for the study of the Oriental languages, without proficiency in which, a suitable discharge of the duties of the civil administration in India is impossible. The acquisition of these languages in England, for purposes of business, although practicable, is attended with so much difficulty, and requires the employment of so much time, that the attempt can be attended with no commensurate advantage. When we consider the duties which the civil servants have to perform, and the degree in which the happiness of the natives of India depends upon their fitness; their previous education, not merely in Oriental languages, but in that general knowledge, which constitutes education in a more extended sense, is of the highest importance. The college at Haileybury was established to place this object beyond the contingencies, that might attend either the means, or the character of in-

dividuals. The result has not corresponded with the goodness of the motive; on the contrary, it has been found almost impossible to maintain discipline at the college; and the young men, placed in a mixed academical and official situation, do not appear to have been influenced by the restraints belonging to either.

But had the college, as a place of education, succeeded, the separation of the young men intended for India from their cotemporaries, is in itself objectionable. I have already remarked on the degree in which all important measures of local administration in India are referred to the political system and national feelings of England. In England resides the authority from whence emanates approbation or censure; in England the final judgment on the conduct of our Indian administration is, and ought to be passed; and it is therefore most essential that the education of the Company's civil servants should be such as to give their minds an early matriculation in those various feelings, and modes of thinking, which make up public opinion in their own country.

This effect can only be attained by their following, up to the period of their departure for India,

the same course of education as their cotemporaries who are intended for the public service at home. The Universities are the seats not only of general learning, but the training-grounds for the young men entering the several professions, in their moral and political conformation: thence the future statesman, soldier, lawyer, and churchman, start with common opinions on all the great points of national habits and polity; and from thence, therefore, the future member of council, or provincial magistrate, in India, should also commence his career in the distant and peculiar scene of his public exertions.

Various opinions have been entertained as to the age at which the civil servants of the East India Company should leave England. The law has fixed the minimum and maximum rather as a restraint upon private patronage, than with reference to previous education. Those who contend for the earliest age, rest their argument upon the expediency of taking the young men from England, before habits and attachments can be formed which may render a residence in India irksome, and a source of constant regret. They also point out the advantage to be expected from greater ductility of character, and, as a consequence, a more ready

adaptation of mind and pursuits to the novel scene in which they are placed. They further allege, that self-instruction is the best; and as the law will scarcely allow time for a complete course in England, partial education does not compensate for the disadvantage to parents and guardians, from delaying the period of admission to actual service.

In answer to these arguments, I would observe, that the acquisition of English habits and attachments is, in my view of the subject, a positive advantage; nor do I consider that, at nineteen or twenty, there is any danger of inconsolable regret for change of country or society; nor does any material diminution of quickness in perception or docility take place between sixteen and twenty, so as to give the former age a decided superiority; while lastly, although self-instruction will do much for minds so happily constituted as to persevere in the arduous attempt, it never can be relied upon as a source of general qualification. On the whole, therefore, the passing two or three years at one of the national Universities, appears to me the most eligible preparation. This preparation should, however, take place antecedent to appointment, so as not to combine at the same time an academical

and official station. Expulsion from the University might be made a positive disqualification for entering the Company's service.

I have only one observation to make on the previous education of the young men intended for the military service of the East India Company: that a short residence at some place of instruction for the native languages, before joining their corps, appears, if not indispensable, at least highly desirable. In accordance with the remarks already made, this instruction should be afforded in India; and the object might certainly be attained, with ordinary application, in six months. The knowledge of the native languages required by an officer for the purposes of his profession, is almost wholly colloquial, and differs essentially from that intimate acquaintance with written composition, which is indispensable to the higher offices of civil administration.

Having thus taken a very hasty view of our Indian administration, as connected with Europe and Europeans, I will proceed as briefly to state the opinions which I entertain on the same subject, as applied to the natives of the East. This part of the subject has often formed a topic of discussion between us, and it is also that upon which I con-

sider that you have been placed in a position, during your residence in India, more favourable to forming liberal and unprejudiced opinions than the majority of those to whose authority, on Indian affairs, deference is usually paid. Placed as you were, from the extent and variety of your mercantile pursuits, in direct, and, if I may use the expression, social communication with natives of wealth and talent, you had opportunities of becoming acquainted with their feelings on all subjects of government, which are studiously concealed from the public functionaries, by whom that government is administered. In communications between public officers and the natives, there is always the reserve of master and servant—there is no equality; and therefore there is no real confidence. Our system of government proceeds upon the practical principle of excluding the natives from all places of trust and emolument. In civil life they may rise to the rank of clerks, head-constables, and interpreters of Hindoo and Mahometan law; while, in the army, they attain a rank not really more important than that of non-commissioned officer. To justify the continuance of a system so contrary to all sound principles, a strong case of

absolute necessity should be established. To try the existence of this necessity, let us examine two questions:—First, are the natives, in point of fitness, unequal to higher employment? Or, if fit, would the stability of our empire be hazarded by their being so employed? We will first apply these questions to civil offices. If we may believe the reports of diplomatic conferences, as contained in the correspondence from India, the natives possess considerable shrewdness, and many of the higher intellectual powers; at least the political residents, at the several native courts, represent themselves as having required the full application of their own mental energies and acquirements, to deal with Mahomedan and Mahratta ministers. There may, indeed, be some persons who are not disposed to attach very great importance to the protocols of conferences prepared by British diplomatists in India;—who look upon them as deserving the description of the Roman satirist—" que mellitos verborum globulos, et omnia dicta, facta quasi papavere et sesamo sparsa." The keen encounter of wits, it will be said, must have an appearance of equality, or there would be no merit in success. However, the results of negotiations con-

ducted between English and native negotiators, prove that the latter possess knowledge and power of mind nearer to equality than might have been expected. My reason for taking diplomatic proceedings as the exemplification of comparative talent, is, that it is only in those proceedings that any opportunity for the exertion of native talent is afforded. I will therefore assume that the mental capacity of our native subjects is much beyond the present range of their official eligibility, and proceed to examine the policy of extending that eligibility.

The British government has succeeded in India to native states, abounding in all the defects belonging to ill-administered military despotisms ; the forms of government were throughout essentially defective, and the evil was aggravated, in most instances, by the positive decay and decrepitude of the supreme authority. The first necessity of human society, security of life and property, was unsatisfied ; while the political convulsions consequent on the dissolution of the empire of Delhi presented no hope of future improvement. The most intemperate revilers of the British administration in India, will hardly venture to deny that, as

compared with the governments to which it succeeded, great benefits have been conferred on the population. Life and property are secured; and there is, if not an enlightened or expeditious, at least an equal dispensation of justice. These are substantial improvements, and must have produced their full impression on their first introduction. But however substantial the improvement, the uninterrupted enjoyment of the advantage diminishes the value, in comparison with the pre-existing, and different condition. Mere security of life and property may be compared to atmospheric air, the value of which is only fully appreciated under deprivation. Unless we can mentally disqualify our native subjects, we may rest assured that they must feel, and perhaps at last deeply resent, their practical exclusion from some share in the higher branches of administration; that a mere security of animal existence will not satisfy; and that the intellect which cannot find a natural outlet, will inwardly fester, till it corrodes and fatally injures the whole frame of society.

It is also remarkable, that in this exclusion of our native subjects from high offices, we act with less liberality than the Mahometan conquerors of

India. Although the great object of Mahometan conquest be the extirpation of idolatry, and the forcible conversion of mankind to the law of the Koran, the descendants of the house of Timour, when they found that the obstinacy and numbers of the conquered population rendered a general change of religion hopeless, did not hesitate to employ their Hindoo subjects in the higher revenue offices, as well as in important military command. With greater reason for dis[illegible], the Mahomedans appear to have shown more confidence in their native subjects; and if the middling and lower classes were ground to the earth by judicial and fiscal oppression, the Hindoo nobles had a chance of honourable employment in the court and camp of the foreign despot; they at least had an interest in the government; and the example of their fidelity was calculated to bring with it that of the lower orders. The system of the British administration is unquestionably one of very equal dispensation; life and property are secured to all our native subjects; but honour and emolument are withheld from all: these advantages of civil life are reserved for the European sojourners in the country, who do not even gratify the population by the display of the

wealth accumulated in their exalted stations: that wealth is hoarded for expenditure in their own country, whither they hasten, without having sought or obtained the affection of a people, with whom they never had, or professed to have, a common interest. The difference of manners and education unquestionably present some obstacles to social intercourse between Europeans and natives; but the immense difference in station, and the total absence of all common political interest, is the main impediment in India; for in other countries of Asia, where Europeans meet the natives on terms of political equality, the same disinclination to society is not exhibited. I allude more particularly to Persia: in the good society of that country, a polished European gentleman will find ample scope for the full exercise of his social and conversational powers. Such, too, would be the case in India, if the native character and manners were not lowered by political inferiority. But admitting the intellectual capacity of the natives for higher employment, their moral fitness may be denied; their habitual and inveterate falsehood may be cited as incompatible with official trust and responsibility. To such objections I attach

little importance: the character of men is determined by circumstances: render honesty and truth the obvious interests of individuals, and there is little danger of their preferring corruption and mendacity.

Let us now consider in what manner the principle of extended and honourable employment for the natives of India is to be applied. The two great branches of administration to which I would propose their introduction, is the judicial and revenue departments. The delay and accumulation of business in the district courts, within the Company's territories, have often been brought under public notice; and while the necessity of remedy has been felt by all, the hopelessness of success has been as generally admitted. The extent of the evil ought not to be a matter of surprise, when it is recollected that the laws in India are administered by persons without legal knowledge and professional education; and, as a proof, I would ask those best acquainted with India, whether a life passed in the judicial department of the Company's service is supposed to give to the individual the character of a professional lawyer? The Hindoo and Mahomedan laws are applied by the native assessors of the judge; while he has the official

copy of the Company's regulations on his table, to instruct him in the municipal code of the British government, he is an upright man and zealous public servant; but he carries to the court few of those qualifications that can secure an expeditious and efficient administration of the law. But will the knowledge of the circuit judges supply this defect? By no means. They are very respectable gentlemen, but without professional education. Is there not, however, a remedy in the highest court of appeal at the presidency? Far from it. The judges who sit there labour under the same disadvantage; and throughout the whole series there is the same absence of legal qualification. The advocates in the district courts are natives, and it is from this class that, in my opinion, a supply of legal knowledge might be introduced on the bench. Instead of the European Register *, I would propose an assistant native judge, whose professional habits must, supposing the integrity equal, fit him much better for the situation than an English gentleman, however accomplished, whose mind has not been schooled and disciplined by previous practice as an advocate.

* The Regis[illegible] of the District Court at present tries civil causes under a fixed pecuniary amount.

I feel the more confidence in the practicability of this suggestion regarding the native advocates, from the fact, that a course of previous education, by which they may be fitted for their present situation, has been already imposed in the regulations of the local governments: the suggestion, therefore, only applies a principle to judicial qualification in India, which has received the sanction of experience in Europe.

It would be impossible to secure, among the civil servants of the Company, employed in the judicial department the qualification derived from professional practice: they are the officers of the government, while the practising advocate is the servant of the public; the one retains his office on the tenure of continued assiduity and unimpeached integrity: talent or fitness are accidents, and not essential attributes; while all these qualities must unite in the advocate, to ensure success.

Unquestionably a much higher degree of legal qualification might be secured among the European servants of the Company, were a course of previous and professional study enjoined to all those who are destined for the judicial department.

The five first years of residence in India would

be well employed, and would not be more than sufficient for this object. None should, under such a system, be admitted, not to the bar, but to the judgment-seat, until an examination had been gone through, proving a competent knowledge of the laws, English, Hindoo, and Mahomedan, by which justice is administered to the population of India. With such an amount of legal knowledge, and a thorough acquaintance with the languages of the country in the European judges, much more might be left to final decision in the first instance, than at present, and the multiplicity of judicial records and translations, for the purpose of instituting appeals, be dispensed with.

It may be contended that the natives employed as advocates, or agents, in the district courts, do not possess sufficient respectability in society to qualify them for the proposed employment. My answer is, that it is but justice and policy to create among our native subjects, by every possible encouragement, the knowledge and character required for a larger share in the administration: my conviction is, that the knowledge and character would be found, were the career of honourable and profitable employment opened to them; unless, indeed, the monopoly pos-

sessed by the Company's Civil servants has irrecoverably imbruted the understandings, and degraded the moral feelings of the population of India. We found them exercising under a vicious, rather than under an absolutely barbarous, system, all the offices of administration; had, therefore, the appetite at home for India patronage not increased with the extension of our power, the exclusion of the natives from offices of comparative trust and emolument was not a necessary consequence of that extension, but the impossibility of employing natives became a ready justification for increasing the number of civil servants to such an amount, that at the present moment the supply seems scarcely equal to the demand; at least the college at Hayleybury cannot, from want of space, finish the candidates fast enough, and the Company have positively been compelled to apply to Parliament for leave to put the work out among strange hands. To revert to the fitness of the natives for judicial employment, let us consider the facility with which a regular career of unimpeached professional practice as advocates might be imposed upon the native candidates for the office of assistant judge; let us further reflect on the expedition in administering the law

that must result from such professional knowledge, as well as from the intimate acquaintance with the peculiar motives of action derived from national character which such persons would possess; and then ask whether this fitness, and these advantages, can ever belong to the European sojourners in the country.

I am aware that the number of European civil servants would be diminished by such an employment of the natives; that the patronage of the East India Directors would be diminished; but I contend that the moral and political condition of our native subjects would be raised by the measure, and that the British government would acquire a hold on their affections and interest that is now wanting.

The same arguments will apply to the employment of the natives in the revenue department, in the administration of which their talent is generally admitted. Methodical, accurate and good calculators, the Hindoos are so well fitted for financial business, that under Mahomedan princes the management of the revenue is usually intrusted to a Hindoo.

I carry my views on this part of the subject to the full extent of placing natives in the proposed Pro-

vincial Councils ; the only reservation which I make is, that in all these higher employments they should act in aid of their European collegues, and never with independent authority or jurisdiction ; I would thereby make native talent useful, but prevent it, if ill-directed, from being dangerous. Absolute equality of salary between the European and native civil servants would not be required for the success of the proposed measure, but unquestionably the rate of remuneration for native services must be much increased. *Cæteris paribus*, I should say that a native, whose object would not be the accumulation of money for the purpose of retirement to another country at the middle age of human life, would be sufficiently paid in the highest civil office by a salary not exceeding one-half of that enjoyed by the European civil servant, and in offices of the second class by a salary not beyond two-thirds. I make this difference in the proportion of salary to be attached to native civil servants, because as my proposition has judicial employment specially for its object, I conceive that the remuneration to the native judge should be so liberal as to command the highest degree of professional talent, and to secure, from motives of self-interest, the exercise of personal integrity.

It remains for me to offer a few remarks on the military employment of the natives. With every disposition to secure the attachment of our native subjects by increasing their interest in the stability of our empire, I do not perceive that the scale of their professional advancement can be extended in this branch of the public service.

In all the physical qualities, and in the moral energy required for the higher degree of military character, the natives of India are decidedly inferior to Europeans generally, and especially to our countrymen; they have courage enough to follow, but not to lead. They can meet dangers to which they have been accustomed, they will face enemies with whom they have before contended, but change the scene, or oppose them to adversaries with whose appearance they are not familiar, and their efficiency becomes uncertain. On some occasions they exhibit the heroism of military martyrs*, but if left to themselves they would not be found to possess the constitutional and rational courage which requires no excitement from the imagination to secure its activity.

* I allude particularly to the Rajpoots, of whose desperate self-destruction, in preference to surrender, Indian history furnishes many examples.

This courage was possessed by the legions of Rome, and made the climate, the country, the character and appearance of the enemy, matters of indifference. The same military qualities belong to the English soldier; and though the heat of India may shorten his life, it has no influence upon his moral energies. Even if the force of discipline could bring European soldiers to obey native officers, as the latter would be constitutionally unequal to lead, as far as the former would be prepared to go, the result must be injurious.

The British empire in India has been gained by the superior military qualities of Europeans, and it is retained by the continued and undiminished inferiority of the natives in this respect. It is the courage displayed by the European officers, displayed too, from its great purpose being example, in a chivalrous degree, that brings our regiments of Sepoys almost on an equality with those composed entirely of Europeans. With the example before them, the difference in military efficiency seems reduced to that of mere physical strength; but withdraw that example, and the native soldiers will not bear a comparison. The natives of India, from the Indus to Cape Comorin, are inferior in bodily

strength and military character to the nations of northern, and perhaps of eastern Asia; and I question whether the discipline acquired under our instruction would, were European command and example withdrawn, protect the territory of India from invasion and conquest. If these views of the military qualifications of the natives be correct, we must be content with giving to the native officer every practicable civil advantage, in return for faithful service; and as we cannot hope, with inadequate inducement, to attract natives of rank to our regular army, we must so graduate the application of honours and emoluments as to secure the filling our native battalions from the middling classes, most distinguished for military character and respectability.

In a discussion, however abridged or imperfect, of the British administration, as applied to the natives of India, it is scarcely possible to avoid some allusion to the controversy still subsisting on the liberty of the press.

The political liberty of the press in India, as pleaded by its advocates, I take to mean a liberty to examine and publicly discuss the measures of the ruling au. .rity, under no other restriction but

an abstinence from falsehood or positive excitement to overthrow the government.

The removal of a governor-general, or any other public functionary, by vituperation of his official conduct, or ridicule of his private character and qualities, would form a legitimate object of a press in such a state of liberty, and I am not prepared to contend that, in some supposable cases, attainment of the object might not be desirable; but I will confidently ask, whether such unrestricted publication is consistent with even an enlightened despotism, and whether, in a country where the people have no part in the legislation, and where the whole machine of government is conducted by a few foreigners sojourning in the land, their acts are susceptible of the same public discussion as in a state of society where no citizen is without some actual or contingent participation in the administration of affairs.

A representative government, and a free press, are naturally coexisting political circumstances: the freedom of the press prevents the representative system from degenerating into a mere form; it is the element without which political vitality could not survive: but in a government where every au-

thority centres in the executive, the freedom of the press is an antagonist principle, always tending to the dissolution of the administrative confirmation. *Sic volo, sic jubeo,* when once the government have adopted a measure, must be the maxim of all despotisms; discussion and implicit obedience are incompatible, and the only quarter from whence a control, consistent with the duration of our empire can be exerted over public functionaries in India, is England.

Freedom of political discussion through the medium of the press, may obtain circulation for a newspaper, or display individual talent, but it can lead to no useful result: for the inevitable tendency of such freedom is first to question, and next to censure the measures of the ruling authority, which, in India, is constituted upon such principles, that in the immediate scene of action it can neither admit of the one nor the other.

While I thus object to the freedom of the press in India on subjects connected with the local administration, I am fully alive to the important effect which the periodical publications, conducted as they now are at the different presidencies, must have in the diffusion of knowledge among all classes of the

Indian community, and I conceive that the establishment of a censorship presents the only mode of reconciling the claims of the public, with the indispensable control of the government.

Much, and, in my judgment, exaggerated, importance has been attached to the class of natives known by the designation of half-castes; by some this class has been viewed as an object of political apprehension, and by others of high interest, from religious and compassionate considerations.

Political apprehension from the half-castes must be founded upon their numbers, their union among themselves, their ability, or their influence over the other classes of the community. Their numbers, as compared with the population of the British empire in India, are so insignificant, as to present no ground of alarm from mere physical force; and as they are chiefly inhabitants of the capitals of the presidencies where the proportion of Europeans is always considerable, the numerical advantage is still further diminished. Although unquestionably the feeling of discontent on account of exclusion from the civil and military service of the company be very general among these half-castes, who consider themselves qualified for such employment, yet the number of

these among their own class is so few, and the remainder, from belonging entirely to the lowest order of society, have so little sympathy with them, that the sphere of operation is too confined to render the discontent formidable.

In physical strength the mixed race has so degenerated from the European, that they are not superior to the average of the unmixed Indian population, and positively inferior to the natives of our northern provinces. Although the facility for local education at the different presidencies has been much augmented of late years, the institutions for that purpose remain still very imperfect; and even were such not the case, the pecuniary means of half-caste parents would not admit of a more complete system of instruction; while European parents would obviously prefer a course of education conducted in England. It may, therefore, be assumed, that there is no circumstance of physical or intellectual strength possessed by the half-caste, from which a superiority over the rest of the population can be derived.

It remains to consider the degree of influence, among the people generally, which the half-castes may be supposed to possess. If the preceding

statements be correct, it is obvious that this influence must be wholly insignificant, exhibiting neither superior bodily nor mental qualifications; deriving no influence from property, and, from difference of religion and habits, being positively opposed to both Hindoos and Mahometans, they may be almost said to be indebted for any degree of respectability to their connexion with the present conquerors and rulers of India. On the whole, therefore, I conclude that, in considering the general administration of affairs in India, the half-castes are not of sufficient importance in the empire to present an object of separate or special arrangement.

However similarity of religion may excite personal interest, as the very security of our empire depends not only upon religious toleration, but upon the forbearance from any attempt to a positive political preference of Christianity, the half-castes ought to receive no larger share of favour and protection from the British government than the Hindoo and Mahomedan subjects. In truth, a preference would have a tendency to encourage the illicit connexions from which this unhappily-placed class derive their existence. That existence

is, to a certain degree, an evil—an evil which is not to be prevented, but one which would be much aggravated by special legislation or public interference.

The policy by which our Indian Empire is administered, has hitherto been opposed to colonization; but it is not improbable that on the discussions that must take place at the expiration of the present Charter, an attempt will be made to effect a change in the existing regulations on the subject.

These regulations, although they operate practically to prevent colonization, may be traced rather to the mercantile jealousy of the East India Company, than to the higher reasons of State policy; in my opinion, their operation, whatever be their origin, has been beneficial. The usual principles by which colonization is regulated, do not apply to India; of that country, as of Canada, Australasia, and Southern Africa, it cannot be said, *desunt manus poscentibus arvis*. On the contrary, the inhabitants are so numerous as to press upon the means of subsistence, in a degree most confirmatory of the received doctrines on population. The natives of India are also sufficiently advanced in knowledge and civilization to be capable of acquiring, through

their own application, all the arts and sciences, by which their physical and intellectual condition may be improved; there would therefore seem no necessity, as far as the natives are concerned, for colonization. The next point for consideration is the expediency of the measure, in relation to the nature of the government in India, and the stability of our empire.

The local government in India possesses, and must continue to possess the power of despotic legislation. This character has been mitigated, as far as regards Europeans resident in the country, by the establishment of the chartered Courts of Justice at the several Presidencies. Although the existence of two systems of law within the same dominions, the one applicable locally to both classes, Native and European, and universally to the latter, be in itself an anomaly, the number of European residents in the country has hitherto borne so small a proportion to the whole population, that no inconvenience has been felt from the greater consideration shewn for the lives and properties of the Master Caste; but let the principle of colonization be once admitted, let Europeans and their families be congregated in towns throughout the

country, let them become permanent landholders, and it will be difficult, if not impossible, to continue this legal distinction. Neither the first colonists, nor their descendants, when they feel the strength of numbers, will submit patiently to a system of government so essentially different from the British Constitution; in the first instance they will endeavour to persuade the natives that their common interest calls for innovation, and may avail themselves of their physical force to effect it; the next step will be to usurp all authority from the executive government; and the result of this dissension between the European governors, and the European governed, must be the extermination of both by the natives.

Having thus taken a brief view of the administration in India, in relation to our own subjects, I shall conclude this imperfect sketch with a few reflections on that administration, as applied to that part of the population that is governed by native princes.

The system of subsidiary alliances with the native princes, which may be said to have been forced upon our government by the utter hopelessness of compelling fidelity to engagements through any other

means, however conducive to the present security of our empire, and therefore advantageous to British interests, has, in its operation, been most injurious to the states with which those alliances were contracted. The character of the native sovereign has been degraded, the activity of his government destroyed, and the well-being of the people, in most instances utterly sacrificed. Complete control over the external relations of the subsidizing states, was the original object of the alliance; and an intention was professed, and we may presume entertained, of avoiding all interference with the internal government. The political resident was apparently only the representative of the protecting state, the adviser, but not the master of the native sovereign. As, however, the condition of the alliance involved the payment of the military force stationed within the territories of the prince for their protection against external attack, the regularity of that payment became contingent upon the state of the revenues, the receipt of which, under all Asiatic governments, is matter of great uncertainty: this uncertainty led to permanent cession of territory in lieu of money payment; and at this stage it might have been supposed that all source of interference

would have been removed; by no means, as the territories of these native states were contiguous to the British provinces, and as the effect of the subsidiary connexion had been the gradual decay of the native government, always accompanied in India with the disorganization of society, and the consequent formation of bands of plunderers: the tranquillity of our own provinces required positive interference with the internal administration of our ally, an interference which has ultimately taken from every native prince thus politically circumstanced, the very semblance of independence as a sovereign. The moral dignity of the man has sunk with that of the monarch, and a more extended gratification of sensuality and avarice has become the only distinction left to a station, the more pitiable from its elevation. The catastrophe has been delayed according to the character of the native prince, and of the political resident: comparative energy in the one, and generous forbearance in the other, have postponed or mitigated the necessity of interference, but the tendency is inevitable; and consideration for the happiness of the people under the municipal rule of the native princes, leads me to wish for the f[illegible]l and complete extinction of these

exhibitions of degraded royalty. Within our own time we have seen the Paishwah in the full enjoyment of sovereignty, and of the friendship of the British government. We have seen the same prince under the action of the subsidiary system precipitated into proceedings that have led to his expulsion from the throne and country of his ancestors; nay more, he has been a fugitive through his own dominions, with a reward attached to his personal capture. The Rajah of Berar has been similarly circumstanced. Scindiah remains, the last of the independent native princes of India; his political existence is an anomaly, and his independence must, sooner or later, be stifled in the embrace of our subsidiary system.

It is now useless to examine whether this extension of empire, direct and indirect, has contributed to future stability, but I have no doubt that every effort should be made not to allow the conduct of the semi-barbarous states that border upon India, to force us into a further extension of that empire. It is equally the duty and policy of the executive government in India to protect our frontier from insult or attack, but that protection will be best afforded by such a disposition of our military

strength, as shall present the means of instant chastisement whenever any attempt at aggression may be made. The two last external wars in which the British government has been engaged, might have been avoided by a more suitable demonstration of military strength on the frontiers of Nepaul, and the Birmese empire. The petty aggressions of both these neighbouring states had been of long standing, and retaliation and chastisement were obviously only delayed, from our power and attention being employed upon enemies more formidable to the general safety of the British dominions.

The principle of upholding the character for invincibility of the British power in the East, and the indispensable necessity of never allowing vengeance for insult, territorial or diplomatic, to stop short of annihilating the political independence of the offending party, has become so completely the system of British statesmen in India, that when I consider the frequent assignable grounds of war which the irregular conduct of all Asiatic states must present, I dare not entertain a hope of our empire being confined within its present limits, although I feel assured that its extent is such already as to touch

upon the point, beyond which maintenance must become impossible. A considerable increase in the number of European troops employed in India has, to preserve the safe proportion between them and the native soldiery, become indispensable; and the more distant the scenes of military operations are from the centre of our resources, the more necessary will it be to employ an augmented proportion of Europeans, for encountering new enemies, or invading new countries. European courage and example must be unsparingly employed; and although the subject is almost too dangerous for examination, we may, perhaps, add, that the continuance of tranquillity within our own territories, and the fidelity of our native troops, will be best secured by the presence of a much larger European army than is now serving in India.

I remain,

My dear Sir,

Very sincerely yours,

A CIVIL SERVANT.

LONDON
PRINTED BY WILLIAM CLOWES,
Northumberland-court.